ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
With Supplementary Information
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2017 AND 2016

MARKS PANETH
ACCOUNTANTS & ADVISORS

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Astor Services for Children & Families and Affiliate

Report on the Financial Statements

We have audited the accompanying combined financial statements of Astor Services for Children & Families ("Astor"), and The Children's Foundation of Astor, Inc. (the "Foundation") (collectively, the "Organization"), which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Astor Services for Children & Families and The Children's Foundation of Astor, Inc. as of June 30, 2017 and 2016, and the combined changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements of Astor Services for Children & Families and The Children's Foundation of Astor, Inc. as a whole. The supplementary information (included on pages 17-20) is presented for the purpose of additional analysis, rather than to present the financial position of the individual organizations, and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Marks Paneth LLP

New York, NY
January 8, 2018

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and cash equivalents (Notes 2D and 9)	$ 466,446	$ 826,062
Investments in securities (Notes 2L, 11 and 13)	3,114,937	3,057,092
Accounts receivable, net (Note 2G)	9,645,316	8,716,464
Contribution in-kind - rent receivable, current, net (Notes 2F, 2J and 3)	514,944	514,944
Prepaid expenses, deposits and other assets	261,685	349,663
Total current assets	14,003,328	13,464,225
Contribution in-kind - rent receivable, non-current, net (Notes 2F, 2J and 3)	6,472,103	6,660,674
Property and equipment, net (Notes 2l, 4 and 5)	13,239,853	14,121,164
Restricted endowment investments (Notes 2B, 2L, 11, 12 and 13)	500,000	500,000
TOTAL ASSETS	$ 34,215,284	$ 34,746,063
LIABILITIES		
Accounts payable and accrued expenses	$ 3,227,887	$ 2,175,140
Accrued salaries, vacation and benefits	1,880,001	3,031,779
Due to funding sources and deferred revenue (Note 2E)	3,567,468	3,693,636
Bank line of credit (Note 5)	1,448,024	1,700,000
Pension withdrawal liability, current (Note 7)	1,264,024	1,175,836
Debt, current (Note 5)	512,846	500,994
Total current liabilities	11,900,250	12,277,385
Pension withdrawal liability, noncurrent (Note 7)	3,073,455	4,337,479
Debt, noncurrent (Note 5)	8,519,548	9,010,789
TOTAL LIABILITIES	23,493,253	25,625,653
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Note 2B)		
Unrestricted:		
Invested in property and equipment	4,207,459	4,521,927
Pension liability	(4,337,479)	(5,513,315)
Operations	3,107,708	2,252,362
Total unrestricted	2,977,688	1,260,974
Temporarily restricted (Note 14)	7,244,343	7,359,436
Permanently restricted (Note 10)	500,000	500,000
TOTAL NET ASSETS	10,722,031	9,120,410
TOTAL LIABILITIES AND NET ASSETS	$ 34,215,284	$ 34,746,063

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	For the Year Ended June 30, 2017				For the Year Ended June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016	Unrestricted	Temporarily Restricted	Permanently Restricted
REVENUE AND SUPPORT:								
Revenue								
Government contracts and grants (Note 2E)	$ 35,654,689	$ -	$ -	$ 35,654,689	$ 31,775,015	$ 31,775,015	$ -	$ -
Contracts with non-governmental entities	1,794,192	-	-	1,794,192	1,688,162	1,688,162	-	-
Medicaid (Note 2E)	18,537,027	-	-	18,537,027	18,981,912	18,981,912	-	-
Private and insurance fees	5,049,824	-	-	5,049,824	4,252,883	4,252,883	-	-
Support								
Donated services and facilities (Notes 2F, 2J and 6)	769,159	326,373	-	1,095,532	1,047,885	712,704	335,181	-
Other (Note 6)	252,312	55,696	-	308,008	274,068	218,661	55,407	-
Grants								
United Way, Catholic Charities	90,000		-	90,000	130,000	130,000		-
Other grants	453,367	71,737		525,104	666,644	642,218	24,426	
Investment activity (Note 11)	287,285	61,494	-	348,779	(2,408)	(2,115)	(293)	-
Net assets released from restrictions (Note 2B)	630,393	(630,393)	-	-	-	658,552	(658,552)	-
TOTAL REVENUE AND SUPPORT	63,518,248	(115,093)	-	63,403,155	58,814,161	59,057,992	(243,831)	-
EXPENSES (Note 2H):								
Program services:								
Care Management	4,436,420	-	-	4,436,420	3,807,257	3,807,257	-	-
Crisis Response	1,054,780	-	-	1,054,780	1,027,530	1,027,530	-	-
Early Childhood	11,323,983	-	-	11,323,983	11,408,566	11,408,566	-	-
Education/ School Based Programs	11,442,010	-	-	11,442,010	10,911,338	10,911,338	-	-
Out of Home Placement	13,952,479	-	-	13,952,479	13,999,782	13,999,782	-	-
Outpatient	10,304,659	-	-	10,304,659	8,505,561	8,505,561	-	-
Placement Prevention	2,803,984	-	-	2,803,984	2,524,360	2,524,360	-	-
Individuals with Disabilities Education Act grant and other	67,047	-	-	67,047	66,079	66,079	-	-
Total program services	55,385,362	-	-	55,385,362	52,250,473	52,250,473	-	-
Support services:								
Management and administration	6,145,400	-	-	6,145,400	5,813,974	5,813,974	-	-
Fundraising	270,772	-	-	270,772	197,838	197,838	-	-
Total support services	6,416,172	-	-	6,416,172	6,011,812	6,011,812	-	-
TOTAL EXPENSES	61,801,534	-	-	61,801,534	58,262,285	58,262,285	-	-
CHANGE IN NET ASSETS	1,716,714	(115,093)	-	1,601,621	551,876	795,707	(243,831)	-
Net assets - beginning of year	1,260,974	7,359,436	500,000	9,120,410	8,568,534	465,267	7,603,267	500,000
NET ASSETS - END OF YEAR	$ 2,977,688	$ 7,244,343	$ 500,000	$ 10,722,031	$ 9,120,410	$ 1,260,974	$ 7,359,436	$ 500,000

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,601,621	$ 551,876
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,175,518	1,161,616
Amortization of discount on contribution in-kind receivable	(326,373)	(335,181)
Reduction of contribution in-kind - rent receivable	514,944	514,938
Interest expenses on deferred financing costs	13,431	13,431
Bad debt	217,905	-
Contributed securities	-	(2,120)
Realized/unrealized (gain) loss on investments	(258,368)	104,968
Subtotal	2,938,678	2,009,528
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(1,146,757)	(1,284,449)
Prepaid expenses, deposits and other assets	87,978	(11,493)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	1,052,747	302,134
Accrued pension obligation - Archdiocese of New York	-	(407,243)
Accrued salaries, vacation and benefits	(1,151,778)	496,799
Pension withdrawal liability	(1,175,836)	(839,908)
Due to funding sources and deferred revenue	(126,168)	783,968
Net Cash Provided by Operating Activities	478,864	1,049,336
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of securities	(89,477)	(102,241)
Proceeds from sales of securities	290,000	266,940
Purchases of property and equipment	(294,207)	(622,407)
Net Cash Used in Investing Activities	(93,684)	(457,708)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(492,820)	(498,567)
Principal payments of line of credit, net	(251,976)	(600,000)
Net Cash Used in Financing Activities	(744,796)	(1,098,567)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(359,616)	(506,939)
Cash and cash equivalents - beginning of year	826,074	1,333,013
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 466,458	$ 826,074
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 650,010	$ 645,161

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

NOTE 1—ORGANIZATION, NATURE OF ACTIVITIES AND BASIS OF PRESENTATION

Astor Services for Children & Families ("Astor") is a not-for-profit membership corporation whose sole member is the Catholic Charities Alliance (the “Alliance”). The Alliance oversees the Board of Directors, including the election of Directors, determination of the size of the Board, approval of the Board’s choice of Executive Director and approval of certain transactions, such as large loans. Astor is a child care agency serving emotionally disturbed and mentally ill children from throughout New York State through various sites in Dutchess County, Orange County and the Bronx. Astor provides residential, educational and clinical services to these children and provides community-based, family-oriented services for children and adolescents who are experiencing difficulty at home, in school or in the community. In addition, other programs are provided in preventive, day care, special education programs for children with learning disabilities and educational formats. Astor’s major sources of revenue are federal, New York State and local agencies.

The Children’s Foundation of Astor, Inc. (“Foundation”) is a not-for-profit corporation. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor. Astor is the sole member of the Foundation.

These financial statements present the combined statements of financial position, changes in net assets and cash flows of Astor and the Foundation (collectively, the “Organization”).

The entities are qualified as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and similar New York State Laws and, accordingly are not subject to federal and state income taxes.

Programs operated by the Organization are summarized below.

- **Care Management:** The provision of support and linkages to programs/services in the home, school and community.
- **Crisis Response:** Immediate home and school response in times of crisis for the purpose of stabilizing a situation and minimizing the child’s disruption. Partial Hospitalization program is for adolescents needing the highest level of clinical support without a residential component.
- **Early Childhood:** Head Start education programs, and clinical day-treatment programs (day treatment) for young children ages 3-5 years.
- **Education/School Based Programs:** Schools and day treatment programs in a variety of educational settings with any combination of education, behavioral and clinical support including direct clinical care and classroom consultative arrangements.
- **Out of Home Placement:** Therapeutic foster families, and congregate residential care for young children in a Residential Treatment Center. Specialized, high-level clinically based residential care in a Residential Treatment Facility.
- **Outpatient:** An array of outpatient clinics for children, adolescents and young adults in the community. This includes therapy services using evidence-based practices, psychiatry, and tele-psychiatry services.
- **Placement Prevention:** Individualized services provided at home, school and community for children at risk of residential placement including the Prevention programs, Functional Family Therapy, juvenile justice prevention, and more. The program also includes innovative cross-systems integration to serve children who are at high risk in the community.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Organization prepares its combined financial statements using the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). All significant inter-company balances and transactions have been eliminated in the combination.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Revenue and support 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 – Represents resources available for support of the Organization's operations, over which the Board of Directors has discretionary control.

- Temporarily Restricted Net Assets – The Organization reports contributions of cash and other assets as unrestricted support unless they are received with donor stipulations that limit the use of the donated asset; such assets are considered temporarily or permanently restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying combined statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as unrestricted.

- Permanently Restricted Net Assets – Represents assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donor of these assets permits the Organization to use the income earned from related investments for general purposes (meaning that the earnings are accounted for in the unrestricted net asset class) to benefit the Organization. The Organization has permanently restricted net assets of $500,000 as of June 30, 2017 and 2016.

C. The preparation of financial statements in conformity with U.S. GAAP 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.

D. Cash and cash equivalents consist of: cash, money market funds and accounts backed by the U.S. Government with maturities, when purchased, of three months or less.

E. Contracts and grants consist of revenue received through various federal, state and local governmental agencies. The Organization also receives residential, day treatment, medical and tuition support from various New York State counties and school districts. Reimbursement rates are preliminarily based upon prior years' actual cost data provided to the Department of Social Services ("DSS"), the State Education Department ("SED") and the Office of Mental Health ("OMH"). Final determination of rates is based upon DSS, SED and OMH's review and audit of actual expenditures for the applicable year. Government contracts and grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Organization establishes refundable advances from governmental sources. Any revenue for contracts that have not yet been earned are reclassified as deferred revenue in the statements of financial position. Revenue from fees for service programs are recognized as they are earned (services are provided daily and/or monthly).

Due to funding sources and deferred revenue includes advances paid from Medicaid programs in excess of allowable amounts. Such amounts may be required to be repaid to funding sources through the Medicaid recoupment process. Provisions for amounts due to or from funding sources based on estimated financial rates have been made in the combined financial statements. Differences between estimated and actual financial rates will be reflected in the combined statements of activities in the year the final rates are approved. In the opinion of management, no material adjustments are expected from these audits. Due to funding sources also includes excess reimbursements made to the Organization by the funding sources for the educational program. Most of these amounts will be recovered by the funding sources over time as future services are billed.

Approximately 85% of the Organization's unrestricted revenues were provided by Medicaid reimbursement and government contracts and grants during each of the years ended June 30, 2017 and 2016.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

There are occasions when funding source reimbursements received in prior years are adjusted in the current year. Such adjustments may be due to funding source audit findings, additional monies available over and above original contract amounts, rate appeal results, etc. Included in the change in net assets for the years ended June 30, 2017 and 2016 was approximately $79,000 and ($93,000), respectively, of prior year (decreases) increases, relating to such adjustments.

The Organization estimates the effect of SED's reconciliation process and records increases or decreases in tuition revenue for that year. The purpose is to more closely match reimbursable expenses with tuition revenue. For the years ended June 30, 2017 and 2016, the Center recognized estimated increases of $115,819 and $185,829, respectively, for tuition revenue based on SED’s reconciliation process. These amounts are reflected in service fees and grants from governmental agencies and accounts receivable.

F. The Organization receives donated services, equipment, supplies and other items which supplement the efforts of the Organization’s professional staff in providing services. The Organization records these contributions in the accompanying combined financial statements as support and expenses at the estimated value of the donated goods and services. In addition, Astor receives contributed space as further described in Note 3.

G. As of June 30, 2017 and 2016, the Organization determined that an allowance for doubtful accounts of approximately $250,000 and $32,000, respectively, was necessary for accounts receivable. Such estimates are based on a combination of factors, such as management’s assessment of the aged basis of its government funding sources, creditworthiness of funders and its donors, current economic conditions and historical experience. A significant portion of accounts receivable consists of amounts due from federal and New York State sources.

H. The Organization allocates certain expenses among the various program and supporting services categories. The expense allocated to a particular category is based on a number of factors. Salary expense is based on the estimated time spent on each program and certain other expenses are allocated based on the ratio-value method (a NYS government accepted allocation method) for each program.

I. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Organization capitalizes property and equipment with a cost of $1,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease.

J. Pledges of contributions-in-kind rent are recorded as revenue when made. The Organization considers these pledges to be received in future periods as implicitly time restricted. The Organization discounts long-term pledges using a risk-free interest rate for the expected term of the promise to give applicable to the years in which the pledges are received. As of June 30, 2017 and 2016, the discount on pledges receivable amounted to $3,826,777 and $4,153,150, respectively.

K. Pledges are recorded as income when the Organization is formally notified of the grants or contributions by the respective donors. Unless material, the Organization does not discount multiyear pledges.

L. Investments in equity and debt securities are measured at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 13.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2015-03, "Interest – Imputation of Interest, Simplifying the Presentation of Debt Issuance Costs" is applicable for the year ended June 30, 2017. This update requires that debt issuance costs related to a liability be reported as a deduction from that liability on the combined statements of financial position. Accordingly, the Organization has presented notes payable net of debt issuance costs in the accompanying combined statements of financial position. Amortization of the debt issuance costs of $13,431 is reported as interest expense in the combined statements of activities and was previously presented as amortization expense for the year ended June 30, 2016. The June 30, 2016 combined financial statements have been reclassified to conform to the June 30, 2017 presentation. This change had no impact on the change in net assets for the year ended June 30, 2016.

NOTE 3—CONTRIBUTION IN-KIND RECEIVABLE

Contribution in-kind rent receivable consists of the following as of June 30, 2017 and 2016:

	2017	2016
Amount due in less than one year	$ 514,944	$ 514,944
Amount due from one to five years	2,059,776	2,059,776
Amount due in greater than five years	8,239,104	8,754,048
	10,813,824	11,328,768
Less: Unamortized discount to present value	(3,826,777)	(4,153,150)
	$ 6,987,047	$ 7,175,618

Astor has a 40-year lease agreement, effective October 1, 1998, with the Archbishop of New York for the use of the land and improvements at the Rhinebeck location. Astor is required to pay a nominal rent of $1 per year. Astor has estimated the fair value of the annual lease payment to be approximately $515,000. The fair value associated with the use of the property is amortized over the term of the lease.

Amortization of the discount on the contribution-in-kind amounted to $326,373 and $335,181 for the years ended June 30, 2017 and 2016, respectively.

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2017 and 2016:

	2017	2016	Estimated Useful Lives
Land	$ 505,358	$ 505,358	-
Buildings	18,709,241	18,709,241	40 years
Furniture and equipment	3,817,814	3,503,298	3-10 years
Leasehold improvements	7,615,901	7,569,525	Remaining lease term
Construction in progress (see below)	155,366	222,052	-
Total cost	30,803,680	30,509,474	
Accumulated depreciation and amortization	(17,563,828)	(16,388,310)	
Net book value	$ 13,239,852	$ 14,121,164	

Depreciation and amortization expense for the years ended June 30, 2017 and 2016 amounted to $1,175,518 and $1,161,616, respectively.

NOTE 4—PROPERTY AND EQUIPMENT (Continued)

As of June 30, 2017, construction in progress primarily consists of the Managed Care readiness project which will be funded by grants from the NYS Department of Health and the Office of Mental Health. It is expected to be completed in 2018 and the expected future cost will be approximately $75,000.

NOTE 5—DEBT

Debt consists of the following as of June 30, 2017 and 2016:

	2017	2016
Note payable to a bank, due June 2019, payable in monthly installments of $4,981 (principal and interest). The interest rate is fixed at 4.89%; collateralized by certain property and equipment.	$ 127,405	$ 179,329
Note payable to a bank, due January 2025, payable in monthly installments of $17,283 (principal and interest). The interest rate is fixed at 5.45% for the first ten years (ending January 2022), after which the rate is reset; collateralized by certain property and equipment.	1,282,354	1,414,808
Mortgage payable to a real estate company. Due January 2017, this mortgage bears interest at a fixed rate of 4.54%. This mortgage is collateralized by real property located at Lincoln Ave, Poughkeepsie, NY.	-	15,001
Note payable to a bank, due January 2033, payable in monthly installments of principal and interest. The interest rate is fixed at 5.45% for the first ten years (ending January 2022), after which the rate is reset; collateralized by certain property and equipment.	7,696,658	7,990,099
Total	9,106,417	9,599,237
Less: Unamortized debt issue costs	(74,023)	(87,454)
Less: Current portion	(512,846)	(500,994)
Debt, net of current portion	$ 8,519,548	$ 9,010,789

Future principal payments (not net of issuance costs) for the fiscal years subsequent to June 30, 2017 are as follows:

2018	$ 512,846
2019	556,586
2020	510,853
2021	539,401
2022	569,544
Thereafter (expiring January 2033)	6,417,187
	$ 9,106,417

Astor has an unsecured line of credit with a bank capped at $4,000,000, of which $1,448,024 and $1,700,000 was outstanding at June 30, 2017 and 2016, respectively. The line of credit carries interest at three percentage points above one month LIBOR (amounting to an interest rate of 4.23% and 3.47% as of June 30, 2017 and 2016, respectively). The line is payable on demand. As of January 8, 2018, there was $1,948,024 borrowed.

As of June 30, 2017, approximately $9,106,000 of the long-term debt and the unsecured line of credit of $4,000,000 are held with one bank with cross default clauses whereby default on one obligation will trigger default on the other obligations. Astor must comply with certain administrative and financial covenants, which it has done.

Interest expense related to debt for the years ended June 30, 2017 and 2016 amounted to $650,010 and $645,161, respectively.

NOTE 6—TRANSACTIONS WITH THE FOUNDATION AND RELATED PARTIES

Astor conducts its residential programs and has its administrative offices in facilities owned by the Archdiocese of New York. No rent is paid for the use of these facilities. The estimated value of such contributed rent was $515,000 for the years ended June 30, 2017 and 2016. See Note 3.

Astor has a Board member whose firm is its insurance broker, which receives commission income from various insurance companies providing coverage to Astor. For the years ended June 30, 2017 and 2016, the insurance brokerage commissions paid to the Board member's firm amounted to $325,459 and $371,610, respectively. Also, Astor has a Board member who is a partner in a law firm that provides legal services to Astor. For the years ended June 30, 2017 and 2016, Astor paid legal fees to the Board member's law firm amounting to $852 and $5,446, respectively. In addition, Astor maintains certain cash accounts and loans with a bank that employs an Astor Board member. Astor has conflict of interest policies and disclosures that are regularly reviewed by the Board. In addition, it is the policy of Astor to ensure that any person in a conflict of interest position recuses themselves from voting on business transactions in which the individual has a conflict of interest. Astor routinely evaluates the pricing of the services rendered for purposes of determining that they are at or below fair market value.

NOTE 7—PENSION PLANS

Astor previously participated in the Archdiocesan Pension Plan (the "Plan"), a defined benefit multiemployer plan. All employees who met the age and years of service requirements were noncontributory participants in the Plan. Astor withdrew from the Plan as of December 31, 2014. As a result of withdrawing from the Plan, the Archdiocese required that Astor pay an employer liability and administration charge of approximately $6,353,000 payable in 60 monthly installments of approximately $128,000 starting September 1, 2015 and ending August 1, 2020. This amount represents Astor's calculated share of the overall multi-employer underfunding of the Plan at the withdrawal date. Astor's pension expense for the years ended June 30, 2017 and 2016 amounted to $1,775,725 and $1,690,167, respectively. As of June 30, 2017 and 2016, the accrued pension withdrawal liability for the Plan was $4,337,479 and $5,513,315, respectively.

Future principal payments for the years subsequent to June 30, 2017 are as follows:

2018	$ 1,264,024
2019	1,358,825
2020	1,460,737
2021	253,893
	$ 4,337,479

Effective January 1, 2015, Astor implemented a defined contribution 403(b) Thrift Plan ("403(b) Plan") covering all eligible employees. Astor's contribution into the 403(b) Plan ranges from 2.75% to 12% of the employee's salary depending on years of completed service. Pension expense for the years ended June 30, 2017 and 2016 amounted to $1,389,712 and $1,163,775, respectively.

NOTE 8—COMMITMENTS AND CONTINGENCIES

A. The Organization has operating lease commitments for certain facilities, vehicles and equipment expiring on various dates through 2020. Aggregate minimum rentals for the fiscal years ending after June 30, 2017 are as follows:

	Facilities	Vehicles	Equipment	Total
2018	$ 803,910	$ 206,652	$ 121,646	$ 1,132,208
2019	654,108	192,165	81,202	927,475
2020	278,809	161,619	23,669	464,097
2021	-	11,590	3,947	15,537
2022	-	3,180	329	3,509
	$ 1,736,827	$ 575,206	$ 230,793	$ 2,542,826

NOTE 8—COMMITMENTS AND CONTINGENCIES (Continued)

Rent expense for the facilities, vehicles and equipment amounted to $1,008,749, $300,772 and $248,254, respectively and $1,010,712, $301,514 and $245,341, respectively for the years ended June 30, 2017 and 2016, respectively.

B. Pursuant to the Organization's contractual relationships with certain funding sources, outside governmental agencies have the right to examine the Organization's books and records involving transactions relating to those contracts. The accompanying combined financial statements make no provision for possible disallowances, although such possible disallowances could be substantial in amount. In the opinion of management, any actual disallowances would be immaterial.

C. Astor and the Foundation believe they have no uncertain income tax positions as of June 30, 2017 and 2016 in accordance with Accounting Standards Codification ("ASC") Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 9—CONCENTRATIONS

A. *Concentration of Credit Risk*

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with various financial institutions that exceeded the Federal Deposit Insurance Coverage ("FDIC") insurance limits ($250,000) by approximately $659,400 and $1,221,000 as of June 30, 2017 and 2016, respectively.

B. *Concentration of Labor*

Certain of Astor's employees have formed collective bargaining units. During the year ended June 30, 2016, Astor signed amendments to the collective bargaining agreements with the units. The collective bargaining units are subject to the work rules and policies of Astor.

NOTE 10—BENEFICIAL INTEREST IN RELATED-PARTY

In 1997, the Foundation received a grant of $500,000 for the establishment of an endowment fund for Astor. Astor recorded its interest in the net assets of the Foundation as permanently restricted net assets. Astor's interest in this grant has been eliminated in these combined financial statements and the grant is reflected as permanently restricted. See Note 12.

NOTE 11—INVESTMENTS

Investments consist of the following as of June 30, 2017 and 2016:

	2017	2016
Mutual Funds		
Domestic equity	$ 1,225,289	$ 1,274,337
International equity	527,032	426,573
Fixed income	979,434	868,109
Exchange traded funds		
Domestic equity	307,732	323,212
International equity	12,859	63,989
Fixed income	238,839	221,834
Money market funds	44,010	102,550
Certificates of deposit	269,623	268,893
Common stocks	10,119	7,595
Subtotal	3,614,937	3,557,092
Restricted investments	(500,000)	(500,000)
Investments, net of restricted amounts	$ 3,114,937	$ 3,057,092

NOTE 11—INVESTMENTS (Continued)

See Note 13 for the fair value hierarchy.

Investments are subject to market volatility that could change their carrying values in the near term.

Investment activity consists of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Interest and dividends	$ 90,411	$ 102,560
Net realized/unrealized gain (loss)	258,368	(104,968)
	$ 348,779	$ (2,408)

NOTE 12—ENDOWMENT NET ASSETS

Endowment net assets consist of donor-restricted funds all related to the Foundation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on existence or absence of donor imposed restrictions. See Note 2B for how the Foundation maintains its net assets.

As of June 30, 2017 and 2016, permanently restricted net assets amounted to $500,000.

The Foundation adheres to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Foundation recognizes that NYPMIFA permits the Board of Directors to appropriate for expenditure all earnings of endowment funds (both realized and unrealized) with a presumption of prudence to a ceiling of 7% annually based on a quarterly rolling five year average of the fair value of the endowment funds. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected in temporarily restricted until appropriated.

The Foundation's Board has interpreted NYPMIFA as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The Foundation's endowment investment policy is to invest the funds in a mix of mutual funds with the objective of long term growth. The investment policy provides for an asset allocation model that is designed to achieve this objective. The endowment's total return performance is reviewed by the Foundation's Board at each meeting. Any adjustments to the mix or allocation of the endowment based upon performance and market conditions would be approved by the Board each meeting.

The policy for valuing the Foundation's investments is described in Notes 2L, 11 and 13. In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the organization to retain in perpetuity. The Foundation has not incurred such deficiencies in its endowment funds as of June 30, 2017 and 2016.

Changes in endowment net assets (other than beneficial interest in related party) for the years ended June 30, 2017 and 2016 are on the next page as follows:

NOTE 12—ENDOWMENT NET ASSETS (Continued)

	Temporarily Restricted	Permanently Restricted	Total 2017
Investment activity:			
Interest and dividends	$ 15,573	$ -	$ 15,573
Unrealized gain on investments	45,921	-	45,921
Board appropriated earnings	(40,000)	-	(40,000)
Total investment activity	21,494	-	21,494
Endowment net assets, beginning of year	(53)	500,000	499,947
Endowment net assets, end of year	$ 21,441	$ 500,000	$ 521,441

Changes in endowment net assets (other than beneficial interest in related party) for the year ended June 30, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total 2016
Investment activity:			
Interest and dividends	$ 16,451	$ -	$ 16,451
Unrealized loss on investments	(16,744)	-	(16,744)
Total investment activity	(293)	-	(293)
Endowment net assets, Beginning of year	240	500,000	500,240
Endowment net assets, End of year	$ (53)	$ 500,000	$ 499,947

NOTE 13 — FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan 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 assets or liability; 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.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

NOTE 13—FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2017 and 2016.

Mutual Funds:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Exchange Traded Funds:

Exchange traded funds are marketable securities that tracks an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, exchange traded funds trade like a common stock on a stock exchange. Exchange traded funds experience price changes throughout the day as they are bought and sold.

Certificates of Deposit:

Certificates of deposit ("CDs") are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. There is little difference between such calculation and cost. Accordingly, the Organization carries its CDs at cost.

Common Stocks:

Common stocks are valued using market prices in active markets.

Money Market Funds:

Money market funds are valued using market prices in active markets.

The Organization's financial assets carried at fair value at June 30, 2017 are classified in the table as follows:

	Level I	Level II	Total 2017
ASSETS CARRIED AT FAIR VALUE			
Mutual funds			
Domestic equity	$ 1,225,289	$ -	$ 1,225,289
International equity	527,032	-	527,032
Fixed income	979,434	-	979,434
Exchange traded funds			
Domestic equity	307,732	-	307,732
International equity	12,859	-	12,859
Fixed income	238,839	-	238,839
Money market funds	44,010	-	44,010
Certificates of deposit	-	269,623	269,623
Common stocks	10,119	-	10,119
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 3,345,314	$ 269,623	$ 3,614,937

NOTE 13—FAIR VALUE MEASUREMENTS (Continued)

The Organization's financial assets carried at fair value at June 30, 2016 are classified in the table as follows:

	Level I	Level II	Total 2016
ASSETS CARRIED AT FAIR VALUE			
Mutual funds			
Domestic equity	$ 1,274,337	$ -	$ 1,274,337
International equity	426,573	-	426,573
Fixed income	868,109	-	868,109
Exchange traded funds			
Domestic equity	323,212	-	323,212
International equity	63,989	-	63,989
Fixed income	221,834	-	221,834
Money market funds	102,550	-	102,550
Certificates of deposit	-	268,893	268,893
Common stocks	7,595	-	7,595
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 3,288,199	$ 268,893	$ 3,557,092

NOTE 14—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following as of June 30, 2017 and 2016:

	2017	2016
Contribution in kind rent (see Note 3 for details)	$ 6,987,047	$ 7,175,618
Unappropriated earnings from endowment	21,441	-
Other	235,855	183,818
	$ 7,244,343	$ 7,359,436

Net assets were released from donor restrictions during the years ended June 30, 2017 and 2016, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure events subsequent to the date of the combined statements of financial position through January 8, 2018, the date the combined financial statements were available to be issued.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

	As of June 30, 2017				As of June 30, 2016			
	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Eliminations	Total 2017	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Eliminations	Total 2016
ASSETS								
Cash and cash equivalents	$ 332,261	$ 134,185	$ -	$ 466,446	$ 719,757	$ 106,305	$ -	$ 826,062
Investments in securities	-	3,114,937	-	3,114,937	-	3,057,092	-	3,057,092
Accounts receivable, net	9,645,316	-	-	9,645,316	8,716,464	-	-	8,716,464
Contribution in-kind - rent receivable, current, net	514,944	-	-	514,944	514,944	-	-	514,944
Prepaid expenses, deposits and other assets	261,624	61	-	261,685	344,437	5,226	-	349,663
Due from related parties	245,089	-	(245,089)	-	154,498	-	(154,498)	-
Total current assets	10,999,234	3,249,183	(245,089)	14,003,328	10,450,100	3,168,623	(154,498)	13,464,225
Contribution in-kind - rent receivable, non-current, net	6,472,103	-	-	6,472,103	6,660,674	-	-	6,660,674
Property and equipment, net	11,764,025	1,475,828	-	13,239,853	12,580,716	1,540,448	-	14,121,164
Due from related parties	-	-	-	-	-	-	-	-
Restricted endowment investments	-	500,000	-	500,000	-	500,000	-	500,000
Beneficial interest in Astor Services for Children Foundation, Inc	500,000	-	(500,000)	-	500,000	-	(500,000)	-
TOTAL ASSETS	$ 29,735,362	$ 5,225,011	$ (745,089)	$ 34,215,284	$ 30,191,490	$ 5,209,071	$ (654,498)	$ 34,746,063
LIABILITIES								
Accounts payable and accrued expenses	$ 3,201,637	$ 26,250	$ -	$ 3,227,887	$ 2,153,560	$ 21,580	$ -	$ 2,175,140
Accrued salaries, vacation and benefits	1,880,001	-	-	1,880,001	3,031,779	-	-	3,031,779
Due to related parties	-	245,089	(245,089)	-	-	154,498	(154,498)	-
Due to funding sources and deferred revenue	3,567,468	-	-	3,567,468	3,693,636	-	-	3,693,636
Bank line of credit	1,448,024	-	-	1,448,024	1,700,000	-	-	1,700,000
Pension withdrawal liability, current	1,264,024	-	-	1,264,024	1,175,836	-	-	1,175,836
Debt, current	512,846	-	-	512,846	485,993	15,001	-	500,994
Total current liabilities	11,874,000	271,339	(245,089)	11,900,250	12,240,804	191,079	(154,498)	12,277,385
Pension withdrawal liability, non current	3,073,455	-	-	3,073,455	4,337,479	-	-	4,337,479
Debt, non current	8,519,548	-	-	8,519,548	9,010,789	-	-	9,010,789
TOTAL LIABILITIES	23,467,003	271,339	(245,089)	23,493,253	25,589,072	191,079	(154,498)	25,625,653
NET ASSETS								
Unrestricted	(1,340,074)	4,317,762	-	2,977,688	(3,159,508)	4,420,482	-	1,260,974
Temporarily restricted	7,108,433	135,910	-	7,244,343	7,261,926	97,510	-	7,359,436
Permanently restricted	500,000	500,000	(500,000)	500,000	500,000	500,000	(500,000)	500,000
TOTAL NET ASSETS	6,268,359	4,953,672	(500,000)	10,722,031	4,602,418	5,017,992	(500,000)	9,120,410
TOTAL LIABILITIES AND NET ASSETS	$ 29,735,362	$ 5,225,011	$ (745,089)	$ 34,215,284	$ 30,191,490	$ 5,209,071	$ (654,498)	$ 34,746,063

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN &FAMILIES AND AFFILIATE
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted			Temporarily Restricted			Permanently Restricted				
	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Unrestricted	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Temporarily Restricted	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Permanently Restricted	Eliminations and Reclassifications	Total 2017
OPERATING REVENUE AND SUPPORT:											
Revenue											
Government contracts and grants	$ 35,654,689	$ -	$ 35,654,689	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,654,689
Contracts with non-governmental entities	1,794,192	-	1,794,192	-	-	-	-	-	-	-	1,794,192
Medicaid	18,537,027	-	18,537,027	-	-	-	-	-	-	-	18,537,027
Private and insurance fees	5,049,824	-	5,049,824	-	-	-	-	-	-	-	5,049,824
Support											
Donated services and facilities	769,159	-	769,159	326,373	-	326,373	-	-	-	-	1,095,532
Rental income from related party	-	31,845	31,845	-	-	-	-	-	-	(31,845)	-
Other	293,163	319,892	613,055	-	55,696	55,696	-	-	-	(360,743)	308,008
Grants											
United Way, Catholic Charities	90,000	-	90,000	-	-	-	-	-	-	-	90,000
Grants from Foundation	40,000	-	40,000	-	-	-	-	-	-	(40,000)	-
Other grants	453,367	-	453,367	71,737	-	71,737	-	-	-	-	525,104
Investment activity	-	287,285	287,285	-	61,494	61,494	-	-	-	-	348,779
Net assets released from restrictions	551,603	78,790	630,393	(551,603)	(78,790)	(630,393)	-	-	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	63,233,024	717,812	63,950,836	(153,493)	38,400	(115,093)	-	-	-	(432,588)	63,403,155
OPERATING EXPENSES											
Program services:											
Care Management	4,436,420	-	4,436,420	-	-	-	-	-	-	-	4,436,420
Crisis Response	1,054,780	-	1,054,780	-	-	-	-	-	-	-	1,054,780
Early Childhood	11,323,983	-	11,323,983	-	-	-	-	-	-	-	11,323,983
Education/ School Based Program	11,442,010	-	11,442,010	-	-	-	-	-	-	-	11,442,010
Out of Home Placement	13,952,479	-	13,952,479	-	-	-	-	-	-	-	13,952,479
Outpatient	10,304,659	-	10,304,659	-	-	-	-	-	-	-	10,304,659
Placement Prevention	2,803,984	-	2,803,984	-	-	-	-	-	-	-	2,803,984
Individuals with Disabilities Education Act grant and other	-	107,047	107,047	-	-	-	-	-	-	(40,000)	67,047
Total program services	55,318,315	107,047	55,425,362	-	-	-	-	-	-	(40,000)	55,385,362
Support services:											
Management and administration	6,011,357	526,631	6,537,988	-	-	-	-	-	-	(392,588)	6,145,400
Fundraising	83,918	186,854	270,772	-	-	-	-	-	-	-	270,772
Total support services	6,095,275	713,485	6,808,760	-	-	-	-	-	-	(392,588)	6,416,172
TOTAL OPERATING EXPENSES	61,413,590	820,532	62,234,122	-	-	-	-	-	-	(432,588)	61,801,534
CHANGE IN NET ASSETS	1,819,434	(102,720)	1,716,714	(153,493)	38,400	(115,093)	-	-	-	-	1,601,621
Net assets - beginning of year	(3,159,508)	4,420,482	1,260,974	7,261,926	97,510	7,359,436	500,000	500,000	1,000,000	(500,000)	9,120,410
NET ASSETS - END OF YEAR	$ (1,340,074)	$ 4,317,762	$ 2,977,688	$ 7,108,433	$ 135,910	$ 7,244,343	$ 500,000	$ 500,000	$ 1,000,000	$ (500,000)	$ 10,722,031

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted			Temporarily Restricted			Permanently Restricted				
	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Unrestricted	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Temporarily Restricted	Astor Services for Children and Families, Inc.	The Children's Foundation of Astor, Inc.	Total Permanently Restricted	Eliminations and Reclassifications	Total 2016
OPERATING REVENUE AND SUPPORT:											
Revenue											
Government contracts and grants	$ 31,775,015	$ -	$ 31,775,015	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,775,015
Contracts with non-governmental entities	1,688,162	-	1,688,162	-	-	-	-	-	-	-	1,688,162
Medicaid	18,981,912	-	18,981,912	-	-	-	-	-	-	-	18,981,912
Private and insurance fees	4,252,883	-	4,252,883	-	-	-	-	-	-	-	4,252,883
Support											
Donated services and facilities	712,704	-	712,704	335,181	-	335,181	-	-	-	-	1,047,885
Rental income from related party	-	47,490	47,490	-	-	-	-	-	-	(47,490)	-
Other	213,393	198,483	411,876	-	55,407	55,407	-	-	-	(193,215)	274,068
Grants											
United Way, Catholic Charities	130,000	-	130,000	-	-	-	-	-	-	-	130,000
Grants from Foundation	185,429	-	185,429	-	-	-	-	-	-	-	185,429
Other grants	681,008	-	681,008	24,426	-	24,426	-	-	-	(224,219)	481,215
Investment activity	-	(2,115)	(2,115)	-	(293)	(293)	-	-	-	-	(2,408)
Net assets released from restrictions	2,098,392	-	2,098,392	(2,098,392)	-	(2,098,392)	-	-	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	60,718,898	243,858	60,962,756	(1,738,785)	55,114	(1,683,671)	-	-	-	(464,924)	58,814,161
OPERATING EXPENSES											
Program services:											
Care Management	3,807,257	-	3,807,257	-	-	-	-	-	-	-	3,807,257
Crisis Response	1,027,530	-	1,027,530	-	-	-	-	-	-	-	1,027,530
Early Childhood	11,408,566	-	11,408,566	-	-	-	-	-	-	-	11,408,566
Education/ School Based Program	10,911,338	-	10,911,338	-	-	-	-	-	-	-	10,911,338
Out of Home Placement	13,999,782	-	13,999,782	-	-	-	-	-	-	-	13,999,782
Outpatient	8,505,561	-	8,505,561	-	-	-	-	-	-	-	8,505,561
Placement Prevention	2,524,360	-	2,524,360	-	-	-	-	-	-	-	2,524,360
Individuals with Disabilities Education Act grant and other	-	290,298	290,298	-	-	-	-	-	-	(224,219)	66,079
Total program services	52,184,394	290,298	52,474,692	-	-	-	-	-	-	(224,219)	52,250,473
Support services:											
Management and administration	5,799,115	255,564	6,054,679	-	-	-	-	-	-	(240,705)	5,813,974
Fundraising	106,503	91,335	197,838	-	-	-	-	-	-	-	197,838
Total support services	5,905,618	346,899	6,252,517	-	-	-	-	-	-	(240,705)	6,011,812
TOTAL OPERATING EXPENSES	58,090,012	637,197	58,727,209	-	-	-	-	-	-	(464,924)	58,262,285
CHANGE IN NET ASSETS	2,628,886	(393,339)	2,235,547	(1,738,785)	55,114	(1,683,671)	-	-	-	-	551,876
Net assets - beginning of year	(5,788,394)	4,813,821	(974,573)	9,000,711	42,396	9,043,107	500,000	500,000	1,000,000	(500,000)	8,568,534
NET ASSETS - END OF YEAR	$ (3,159,508)	$ 4,420,482	$ 1,260,974	$ 7,261,926	$ 97,510	$ 7,359,436	$ 500,000	$ 500,000	$ 1,000,000	$ (500,000)	$ 9,120,410

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATE
COMBINING SCHEDULE OF FUNCTIONAL AND ALLOCATED EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for 2016)

	Program Services									Supporting Services					
	Astor Services for Children and Families, Inc.							The Children's Foundation of Astor, Inc.		Astor Services for Children and Families, Inc.		The Children's Foundation of Astor, Inc.			
	Care Management	Crisis Response	Early Childhood	Education/ School Based Programs	Out of Home Placement	Outpatient	Placement Prevention	Other	Total Program Services	Fundraising	Admini-stration	Fundraising	Admini-stration	Combined Total 2017	Combined Total 2016
Salaries and related expenses:															
Salaries	$ 2,696,448	$ 604,625	$ 6,113,199	$ 7,061,575	$ 6,980,261	$ 6,504,140	$ 1,787,716	$ -	$ 31,747,964	$ -	$ 2,748,379	$ -	$ -	$ 34,496,343	$ 32,253,243
Employee health and retirement benefits (Note 7)	730,423	140,387	1,385,748	1,607,940	1,342,988	1,146,974	306,269	-	6,660,729	-	626,976	-	-	7,287,705	7,304,501
Payroll taxes and other benefits	239,466	67,896	652,043	632,441	635,392	597,917	160,990	-	2,986,145	-	352,342	-	-	3,338,487	3,362,662
Total salaries and related expenses	3,666,337	812,908	8,150,990	9,301,956	8,958,641	8,249,031	2,254,975	-	41,394,838	-	3,727,697	-	-	45,122,535	42,920,406
												-	-		
Professional services	83,993	26,117	588,515	598,489	804,739	1,039,877	123,220	-	3,264,950	10,278	671,014	-	160,743	4,106,985	3,974,073
Supplies	24,348	9,465	277,361	141,410	567,961	72,800	16,437	-	1,109,782	-	56,876	-	-	1,166,658	1,198,982
Telephone	63,528	32,717	146,620	137,000	178,451	224,826	40,705	-	823,847	2,764	752,276	-	-	1,578,887	1,068,672
Occupancy	191,493	63,391	291,694	456,412	371,377	259,378	63,279	-	1,697,024	-	78,690	-	-	1,775,714	1,759,434
Travel & related expenses	117,813	24,235	103,490	19,815	158,278	35,651	84,772	-	544,054	-	96,797	-	-	640,851	627,338
Training & conferences	2,613	9,031	22,501	43,585	39,859	58,924	107,178	-	283,691	-	47,160	-	-	330,851	165,198
Specific assistance	107,576	16	2,120	171	15,910	-	33,295	-	159,088	-	-	-	-	159,088	148,021
Foster boarding home	-	-	-	-	1,159,364	-	-	-	1,159,364	-	-	-	-	1,159,364	1,190,551
Children's activities	1,338	379	28,361	14,034	65,159	189	376	-	109,836	4,124	-	-	-	113,960	100,871
Insurance	62,904	13,872	149,034	161,922	193,733	150,576	40,942	-	772,983	-	-	-	-	772,983	753,494
Food	293	101	230,988	53,004	232,688	78	-	-	517,152	-	7,092	-	-	524,244	531,390
Furniture and equipment	38,545	4,496	95,736	67,196	75,964	65,061	6,575	-	353,573	-	48,794	-	-	402,367	381,679
Grant expense	-	-	-	-	-	-	-	41,747	41,747	38,376	-	-	-	80,123	271,578
Interest	-	-	-	82,627	456,449	-	-	680	539,756	-	110,254	-	-	650,010	645,161
Depreciation and amortization	8,654	4,359	206,390	139,077	507,154	35,385	10,976	64,620	976,615	18,471	180,432	-	-	1,175,518	1,161,623
Donated services and facilities	12,517	2,760	998,792	123,044	108,915	29,925	8,147	-	1,284,100	-	-	-	-	1,284,100	1,227,649
Bad debt expenses	28,500	49,500	9,900	71,805	17,700	35,500	5,000	-	217,905	-	-	-	-	217,905	-
Administrative	-	-	-	-	-	-	-	-	-	-	-	-	365,888	365,888	194,228
Publicity	-	-	-	-	-	-	-	-	-	-	-	186,854	-	186,854	91,335
Miscellaneous	25,968	1,433	21,491	30,463	40,137	47,458	8,107	-	175,057	9,905	234,275	-	-	419,237	315,526
Total expenses before allocation	4,436,420	1,054,780	11,323,983	11,442,010	13,952,479	10,304,659	2,803,984	107,047	55,425,362	83,918	6,011,357	186,854	526,631	62,234,122	58,727,209
Allocation of central administration	513,518	113,247	688,859	1,321,855	1,552,056	1,229,230	334,230	-	5,752,995	-	(5,752,995)	-	-	-	-
Total expenses after allocatior	$ 4,949,938	$ 1,168,027	$ 12,012,842	$ 12,763,865	$ 15,504,535	$ 11,533,889	$ 3,138,214	$ 107,047	$ 61,178,357	$ 83,918	$ 258,362	$ 186,854	$ 526,631	$ 62,234,122	$ 58,727,209