

Laraway Youth and Family Services, Inc.
and Affiliates

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018

Laraway Youth and Family Services, Inc.
and Affiliates
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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Laraway Youth and Family Services, Inc.
and Affiliates
Johnson, Vermont

We have audited the accompanying consolidated financial statements of Laraway Youth and Family Services, Inc. and Laraway Farm, Inc. (nonprofit organizations) which comprise the statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in 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 consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial positions of Laraway Youth and Family Services, Inc. and Laraway Farm, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with audit 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 financial statements as a whole.



St. Albans, Vermont
October 22, 2018

Laraway Youth and Family Services, Inc.
and Affiliates
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 618,798
Accounts receivable (net of allowance of \$ 4,720)	996,066
Investments	<u>22,623</u>
TOTAL CURRENT ASSETS	<u>1,637,487</u>

PROPERTY AND EQUIPMENT

Land	47,750
Buildings	3,706,111
Building improvements	300,961
Leasehold Improvements	74,378
Equipment	532,115
Vehicles	152,741
Furniture	91,896
CIP	<u>24,336</u>
Total Property and Equipment	4,930,288
Accumulated depreciation	<u>(1,327,560)</u>
TOTAL PROPERTY AND EQUIPMENT, net	<u>3,602,728</u>

RESTRICTED CASH	<u>20,770</u>
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NOTE RECEIVABLE	<u>2,462,240</u>
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TOTAL ASSETS	<u>\$ 7,723,225</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 15,079
Accrued salaries, earned time and payroll taxes	343,657
Current portion of long-term debt	<u>59,832</u>
TOTAL CURRENT LIABILITIES	<u>418,568</u>

LONG-TERM DEBT, Less Current Portion	<u>4,429,990</u>
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NET ASSETS

Unrestricted	2,555,171
Temporarily restricted	<u>319,496</u>
TOTAL NET ASSETS	<u>2,874,667</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,723,225</u>
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See Accompanying Notes to Consolidated Financial Statements

Laraway Youth and Family Services, Inc.
and Affiliates
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Tuition	\$ 1,955,105	\$ -	\$ 1,955,105
DCF foster care	499,725	-	499,725
Medicaid	7,608,231	-	7,608,231
Client transportation	42,927	-	42,927
Grant revenue	48,342	-	48,342
Other revenue	138,262	-	138,262
Interest income	26,187	-	26,187
Net assets released from restrictions	<u>9,984</u>	<u>(9,984)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>10,328,763</u>	<u>(9,984)</u>	<u>10,318,779</u>
EXPENSES			
Program services:			
Education	3,721,702	-	3,721,702
Substitute care	428,836	-	428,836
Backpack	2,412,756	-	2,412,756
ISB	1,835,377	-	1,835,377
Tier II	550,450	-	550,450
Footbrook	888,324	-	888,324
Clinical	155,398	-	155,398
Laraway Farm, Inc. Expenses	<u>151,307</u>	<u>-</u>	<u>151,307</u>
TOTAL EXPENSES	<u>10,144,150</u>	<u>-</u>	<u>10,144,150</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND OTHER SUPPORT	184,613	(9,984)	174,629
CHANGE IN NET ASSETS	184,613	(9,984)	174,629
NET ASSETS, beginning of year	<u>2,370,558</u>	<u>329,480</u>	<u>2,700,038</u>
NET ASSETS, end of year	<u>\$ 2,555,171</u>	<u>\$ 319,496</u>	<u>\$ 2,874,667</u>

See Accompanying Notes to Consolidated Financial Statements

Laraway Youth and Family Services, Inc.
and Affiliates
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018

	Program Services							Laraway Farm	Total
	Education	Substitute Care	Backpack	ISB	Tier II	Footbook	Clinical		
SALARIES AND RELATED EXPENSES									
Salaries	\$ 2,300,894	\$ 77,187	\$ 1,368,486	\$ 787,909	\$ 369,359	\$ 511,828	\$ 98,760	\$ -	\$ 5,514,423
Payroll taxes and workers compensation	268,460	17,937	175,536	107,214	43,136	74,006	13,706	-	699,995
Employee benefits	492,102	55,244	394,735	202,035	60,513	122,144	29,912	-	1,356,685
TOTAL SALARIES AND RELATED EXPENSES	<u>3,061,456</u>	<u>150,368</u>	<u>1,938,757</u>	<u>1,097,158</u>	<u>473,008</u>	<u>707,978</u>	<u>142,378</u>	<u>-</u>	<u>7,571,103</u>
OTHER EXPENSES									
Occupancy	94,825	7,922	78,418	18,683	5,101	25,722	1,784	-	232,453
Equipment related expense	7,233	365	2,800	2,109	257	1,302	217	-	14,283
Transportation/vehicle	91,483	15,836	73,515	69,600	3,944	23,774	2,609	-	280,761
Food	88,151	27	2,352	381	135	12,268	11	-	103,325
Academic/professional services	48,574	8,239	22,584	28,118	5,343	10,502	2,159	-	125,519
Resident/student expense	100,074	233,304	11,456	467,463	745	18,081	68	-	831,191
Depreciation	43,319	3,713	32,180	24,754	2,475	14,852	2,475	92,209	215,977
Amortization	666	57	495	380	38	228	38	5,337	7,239
Administrative expenses	185,922	9,005	250,200	126,731	59,404	73,616	3,659	53,761	762,298
TOTAL OTHER EXPENSES	<u>660,246</u>	<u>278,468</u>	<u>473,999</u>	<u>738,219</u>	<u>77,442</u>	<u>180,345</u>	<u>13,020</u>	<u>151,307</u>	<u>2,573,046</u>
TOTAL EXPENSES	<u>\$ 3,721,702</u>	<u>\$ 428,836</u>	<u>\$ 2,412,756</u>	<u>\$ 1,835,377</u>	<u>\$ 550,450</u>	<u>\$ 888,323</u>	<u>\$ 155,398</u>	<u>\$ 151,307</u>	<u>\$ 10,144,149</u>

See Accompanying Notes to Consolidated Financial Statements

Laraway Youth and Family Services, Inc.
and Affiliates
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 174,629
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	215,842
Decrease (Increase) in:	
Accounts receivable	246,085
Investments	(13,647)
Restricted cash	(15)
Increase (Decrease) in:	
Accounts payable	10,944
Accrued salaries and payroll taxes	<u>(17,809)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>616,029</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchases of assets	<u>(69,070)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(69,008)</u>
NET INCREASE IN CASH	477,951
CASH AT BEGINNING OF YEAR	<u>140,847</u>
CASH AT END OF YEAR	<u>\$ 618,798</u>
SUPPLEMENTAL DISCLOSURES	
Interest paid	<u>\$ 109,097</u>

See Accompanying Notes to Consolidated Financial Statements

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Laraway Youth and Family Services, Inc. (LYFS) is a non-profit academic and behavioral services facility located in Johnson, VT.

Laraway Farm, Inc. (the affiliate) is a non-profit corporation that was formed to support the operations of Laraway Youth and Family Services, Inc.. The support includes the purchase of certain real property and improvements located in Johnson, VT, (the "Project Property"), the leasing of the Project Property to LYFS, and other purposes permitted by law that further the Corporation's support of LYFS.

Programs provided by the Agency during fiscal year 2018 include:

Education Program

The Agency provides education and other treatment services to students in grades K through 12 whose behavioral difficulties preclude their success in mainstream schools.

Foster Care Program

Laraway Youth and Family Services, Inc. operates a foster care program for youth in state custody.

Backpack Program

The Agency provides an off campus program for students in grades K through 12 who behavioral and mental health supports in their public school setting.

ISB Program

Laraway Youth and Family Services, Inc. operate an individualized services budget program for youth in state custody who require a foster care placement and intensive mental health supports.

Tier II Program

The Agency introduced this as a less intense off campus behavioral interventions program within the public school system.

Footbrook

The Agency incorporated a residential program for youth requiring an elevated level of mental health and foster care within a group home facility.

Principles of Consolidation

The consolidated financial statements include the accounts of Laraway Youth and Family Services, Inc. and Laraway Farm, Inc. Laraway Youth and Family Services, Inc. is the sole member of Laraway Farm, Inc. All material intercompany transactions have been eliminated.

Cash and Cash Equivalents

Cash and Cash Equivalents consist primarily of petty cash, checking accounts and savings sweep accounts with original maturities of 90 days or less.

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. In accordance with generally accepted accounting principles, revenue is recognized when earned and expenses are recognized when incurred. Accordingly, the net assets of the Laraway Youth and Family Services, Inc. and affiliates are reported in each of the following three classes: (a) unrestricted net assets (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

The accompanying financial statements have been prepared in conformity with the requirements of the FASB as set forth in SFAS No. 116 *Accounting for Contributions Received and Contributions Made*. Accordingly, Laraway Youth and Family Services, Inc. and affiliates recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support.

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.

Temporarily Restricted Net Assets

These assets result from contributions and other inflows of assets whose use by Laraway Youth and Family Services, Inc. and affiliates is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Laraway Youth and Family Services, Inc. and affiliates. Contributions of long-lived assets or cash used to acquire long-lived assets (property and equipment) are released from time restrictions, if not expressed by donor, over the assets expected useful life. The temporarily restricted net assets represent amounts raised for the purchase and/or rehabilitation of the new facility on Route 15 in Johnson.

Revenue

Revenue from state and other sources is deferred until the related services are provided. Net tuition revenue is reported at the estimated net realizable amounts from students, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued when final settlements are determined.

Grants and Contracts

Support received under contract with the State of Vermont and through various other organizations is recorded as income as Laraway Youth and Family Services, Inc. and affiliates fulfills its obligations under the contracts.

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Third Party Contractual Arrangements

A significant portion of revenue is derived from services to students insured by Medicaid. The corporation receives reimbursement from Medicaid at defined rates for services rendered to students covered by these programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as a reduction in revenue when billed.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or fair market value when received. Betterment's that materially add to the value of related assets or materially extend the useful life of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the general fund. The Agencies capitalize fixed assets with useful lives of more than one year using the straight-line method over estimated useful lives as follows:

	<u>Years</u>
Buildings and Improvements	10 – 39
Vehicles	3 – 5
Equipment and Furniture	5 – 7

Fair Values of Financial Instruments

Laraway Youth and Family Services, Inc. and affiliates financial instruments, none of which are held for trading purposes, include cash, accounts receivable, investments, and notes payable. Laraway Youth and Family Services, Inc. and affiliates estimates that the fair value of all financial instruments at June 30, 2018, does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position.

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

Laraway Youth and Family Services, Inc. and Laraway Farm, Inc. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Consideration has been given to uncertain tax positions. The federal income tax returns for the years after June 30, 2015, remain open for potential examination by major tax jurisdictions, generally, for three years after they are filed.

Functional Expenses

Laraway Youth and Family Services, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various bases.

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Agency expenses advertising costs when incurred.

NOTE 2 RETIREMENT PLAN

Laraway Youth and Family Services, Inc. and affiliates have a 401(k) plan that covers substantially all employees who have earned at least \$5,000 annually during the previous two years. Laraway Youth and Family Services, Inc.'s contribution is 2% of wages earned. Pension expense under the 401(k) for the year ended June 30, 2018 is \$86,757.

NOTE 3 LONG-TERM DEBT

Vermont Community Loan Fund, 5.875%, due December 2019 with monthly principal and interest payments of \$7,092, secured by building.	\$ 787,813
VEDA 2.50% interest, monthly principal and interest payments of \$3,035.30, due December 2019, secured by land and buildings.	434,647
3 VRV 2008 LLC Loan, 1.252% interest only payments until December 1, 2018. Principal and interest payments with interest at 5.252% beginning on January 1, 2019, matures on December 1, 2041, secured by land and buildings	3,333,040
Northern Community Investment Corporation, 4.5%, monthly principal and interest payments of \$786.93 with a single ballon payment of \$103,226.34 due on May 15, 2020, secured by land and building.	<u>111,273</u>
	4,666,773
Unamortized debt issuance costs	<u>(176,951)</u>
	4,489,822
Less: Current Portion	<u>(59,832)</u>
TOTAL LONG-TERM DEBT	<u><u>\$ 4,429,990</u></u>

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 LONG-TERM DEBT (continued)

Maturities of long-term debt are as follows:

2019	\$ 59,832
2020	1,273,901
2021	-
2022	-
2023	-
Thereafter	<u>3,333,040</u>
	<u><u>\$ 4,666,773</u></u>

NOTE 4 RESTRICTED CASH

As part of the loan agreement with 3 VRV 2008, LLC, Laraway Farm, Inc. was required to setup an asset management reserve account to cover the annual asset management fees. The initial deposit in 2012 was \$71,715. The balance in the reserve account at June 30, 2018 was \$20,770.

NOTE 5 LINE OF CREDIT

Laraway Youth & Family Services has a line of credit agreement with Community National Bank in which it may borrow up to a total of \$350,000. This line of credit is secured by corporate assets. Borrowings under this line bear interest at the prime rate. The line expires on November 1, 2019 and as of June 30, 2018, there was no outstanding balance under this line of credit.

NOTE 6 NON-CASH TRANSACTIONS

Laraway Youth & Family Services received Federal Commodities for use in food service in the amount of \$1,192 for only the cost of shipping. The value of the commodities received is not included in the food service budget and is not part of food service revenue or expenditures.

NOTE 7 CASH

At June 30, 2018, the carrying amount of cash deposits was \$639,568 and the bank balance was \$684,475. The amount of deposits that were covered by federal depository insurance coverage was \$335,180 at June 30, 2018.

Laraway Youth and Family Services, Inc.
and Affiliates
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 NOTE RECEIVABLE

As part of the NMTC refinancing, the Organization has a note receivable outstanding from an unrelated organization, Laraway Investment Fund, LLC. The Organization receives interest only payments on the note at 1% through 2018 at which point principal payments will commence. The amount of interest income received in 2018 was \$24,624. The amount due as of June 30, 2018 was \$2,462,240.

NOTE 9 RELATED PARTY TRANSACTIONS

A board member of Laraway Youth and Family Services, Inc. is also the executive director of an organization that provides various services for Laraway Youth and Family Services, Inc. The services provided and amounts billed and expensed for the year ended June 30, 2018 are as follows: Billing fees – \$501,029 supervision/consultation fees – \$28,875.

Laraway Youth and Family Services, Inc. pays rent to the affiliate for the use of a building. The monthly rent payment is \$4,671 and they paid total rents of \$56,053 during 2018.

NOTE 10 SUBSEQUENT EVENTS

In accordance with accounting standards the organizations have evaluated subsequent events through October 22, 2018, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2018, have been incorporated into the financial statements.

NOTE 11 CHANGE IN ACCOUNTING PRINCIPAL - RETROSPECTIVE APPLICATION

On July 1, 2016, the Company changed its method of accounting for debt issue costs to conform with ASU 2015-03, effective for fiscal years beginning after December 15, 2015. The change was adopted retroactively. Under the new accounting method, the entity must now report their debt costs net of debt issue costs, increasing the effective interest rate. As a result, the cumulative effect of applying the new method, the following amounts increased (decreased):

	<u>2018</u>
Deferred Charges	<u>\$ (176,951)</u>
Long-Term Debt	<u>\$ (176,951)</u>

The adoption had no effect on the Company's equity, statement of income or statement of cash flows for the years ended June 30, 2018.

SUPPLEMENTARY INFORMATION

Laraway Youth and Family Services, Inc.
and Laraway Farm, Inc.
CONSOLIDATED SCHEDULE OF SUPPORT, REVENUE AND EXPENSES
BUDGET TO ACTUAL
For the Year Ended June 30, 2018

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE AND OTHER SUPPORT			
Tuitions	\$ 2,054,952	\$ 1,955,105	\$ (99,847)
DCF Foster Care	636,178	499,725	(136,453)
Medicaid	9,487,387	7,608,231	(1,879,156)
Client transportation	27,620	42,927	15,307
Grant revenue	15,500	48,342	32,842
Other revenue	267,618	138,262	(129,356)
Interest income	25,607	26,187	580
	<u>12,514,862</u>	<u>10,318,779</u>	<u>(2,196,083)</u>
EXPENSES			
Salaries	6,599,178	5,514,424	1,084,754
Payroll related expenses	804,207	699,995	104,212
Employee benefits	1,869,299	1,356,685	512,614
Occupancy	436,877	232,453	204,424
Equipment related expense	21,002	14,283	6,719
Transportation/vehicle	339,080	280,761	58,319
Food	88,393	103,325	(14,932)
Academic/professional services	118,167	125,519	(7,352)
Resident/student expense	1,226,116	831,191	394,925
Depreciation	215,977	215,977	-
Amortization	7,239	7,239	-
Administrative expenses	649,010	762,298	(113,288)
	<u>12,374,545</u>	<u>10,144,150</u>	<u>2,230,395</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 140,317</u>	<u>\$ 174,629</u>	<u>\$ 34,312</u>

Laraway Youth and Family Services, Inc.
and Affiliates
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

	Laraway Youth and Family Services Inc.	Laraway Farm Inc.	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 593,541	\$ 25,257	\$ -	\$ 618,798
Accounts receivable (net of allowance of \$ 4,720)	995,836	230	-	996,066
Laraway Farm receivable	15,000	-	(15,000)	-
Investment	22,623	-	-	22,623
TOTAL CURRENT ASSETS	<u>1,627,000</u>	<u>25,487</u>	<u>(15,000)</u>	<u>1,637,487</u>
PROPERTY AND EQUIPMENT				
Land	47,750	-	-	47,750
Buildings	431,157	3,274,954	-	3,706,111
Building improvements	300,961	-	-	300,961
Leasehold Improvements	74,378	-	-	74,378
Equipment	370,495	161,620	-	532,115
Vehicles	152,741	-	-	152,741
Furniture	32,341	59,555	-	91,896
CIP	24,336	-	-	24,336
Total property and equipment	1,434,159	3,496,129	-	4,930,288
Accumulated depreciation	(458,921)	(868,639)	-	(1,327,560)
TOTAL PROPERTY AND EQUIPMENT, net	<u>975,238</u>	<u>2,627,490</u>	<u>-</u>	<u>3,602,728</u>
RESTRICTED CASH	<u>-</u>	<u>20,770</u>	<u>-</u>	<u>20,770</u>
NOTE RECEIVABLE	<u>2,462,240</u>	<u>-</u>	<u>-</u>	<u>2,462,240</u>
TOTAL ASSETS	<u>\$ 5,064,478</u>	<u>\$ 2,673,747</u>	<u>\$ (15,000)</u>	<u>\$ 7,723,225</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 15,079	\$ -	\$ -	\$ 15,079
Accrued salaries, earned time and payroll taxes	343,657	-	-	343,657
Current portion of long-term debt	59,832	-	-	59,832
Other Liabilities	-	15,000	(15,000)	-
TOTAL CURRENT LIABILITIES	<u>418,568</u>	<u>15,000</u>	<u>(15,000)</u>	<u>418,568</u>
LONG-TERM DEBT, less current portion	<u>1,270,413</u>	<u>3,159,577</u>	<u>-</u>	<u>4,429,990</u>
NET ASSETS	<u>3,375,497</u>	<u>(500,830)</u>	<u>-</u>	<u>2,874,667</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,064,478</u>	<u>\$ 2,673,747</u>	<u>\$ (15,000)</u>	<u>\$ 7,723,225</u>

Laraway Youth and Family Services, Inc.
and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2018

	Laraway Youth and Family Services Inc.	Laraway Farm, Inc.	Eliminations	Total
REVENUE AND OTHER SUPPORT				
Tuitions	\$ 1,955,105	\$ -	\$ -	\$ 1,955,105
DCF foster care	499,725	-	-	499,725
Medicaid	7,608,231	-	-	7,608,231
Client transportation	42,927	-	-	42,927
Grant revenue	48,342	-	-	48,342
Other revenue	138,262	-	-	138,262
Rental income	-	56,053	(56,053)	-
Interest income	26,159	28	-	26,187
	<u>10,318,751</u>	<u>56,081</u>	<u>(56,053)</u>	<u>10,318,779</u>
TOTAL REVENUE AND OTHER SUPPORT				
EXPENSES				
Program services:				
Education	3,741,321	-	(19,619)	3,721,702
Substitute care	430,518	-	(1,682)	428,836
Backpack	2,427,330	-	(14,574)	2,412,756
ISB	1,846,588	-	(11,211)	1,835,377
Tier II	551,571	-	(1,121)	550,450
Footbook	895,049	-	(6,725)	888,324
Clinical	156,519	-	(1,121)	155,398
Laraway Farm, Inc expenses				
Operating expenses	-	53,761	-	53,761
Depreciation expense	-	92,209	-	92,209
Amortization expense	-	5,337	-	5,337
	<u>10,048,896</u>	<u>151,307</u>	<u>(56,053)</u>	<u>10,144,150</u>
TOTAL EXPENSES				
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND OTHER SUPPORT				
	269,855	(95,226)	-	174,629
CHANGE IN NET ASSETS				
	269,855	(95,226)	-	174,629
NET ASSETS, beginning of year				
	<u>3,105,642</u>	<u>(405,604)</u>	<u>-</u>	<u>2,700,038</u>
NET ASSETS, end of year				
	<u>\$ 3,375,497</u>	<u>\$ (500,830)</u>	<u>\$ -</u>	<u>\$ 2,874,667</u>