

Laraway Youth and Family Services, Inc.  
and Affiliates

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

Laraway Youth and Family Services, Inc.  
and Affiliates  
TABLE OF CONTENTS  
June 30, 2016

Page

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	1
Consolidated Statement of Activities and Change in Net Assets	2
Consolidated Statement of Functional Expenses	3
Consolidated Statement of Cash Flows	4
Notes to Financial Statements	5

Schedule

SUPPLEMENTARY INFORMATION

Consolidated Schedule of Support, Revenue and Expenses – Budget to Actual	1
Consolidating Statement of Financial Position	2
Consolidating Statement of Activities and Changes in Net Assets	3



**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, 2016, 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, 2016, 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.

*Kittell Branagan & Sargent*

St. Albans, Vermont  
September 27, 2016

Laraway Youth and Family Services, Inc.  
and Affiliates  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 632,987
Accounts receivable (net of allowance of \$ 4,720)	983,882
Investments	<u>2,607</u>
TOTAL CURRENT ASSETS	<u>1,619,476</u>

PROPERTY AND EQUIPMENT

Land	47,750
Buildings	3,657,876
Building improvements	265,691
Leasehold Improvements	42,891
Equipment	493,060
Vehicles	95,871
Furniture	90,820
CIP	<u>24,336</u>
Total Property and Equipment	4,718,295
Accumulated depreciation	<u>(887,757)</u>
TOTAL PROPERTY AND EQUIPMENT, net	<u>3,830,538</u>

RESTRICTED CASH

30,976

CLOSING COSTS, net

191,429

NOTE RECEIVABLE

2,462,240

TOTAL ASSETS

\$ 8,134,659

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,601
Accrued salaries, earned time and payroll taxes	329,684
Current portion of long-term debt	<u>66,222</u>
TOTAL CURRENT LIABILITIES	<u>400,507</u>

LONG-TERM DEBT, Less Current Portion

4,743,471

NET ASSETS

Unrestricted	2,651,217
Temporarily restricted	<u>339,464</u>
TOTAL NET ASSETS	<u>2,990,681</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 8,134,659

See Accompanying Notes to Consolidated Financial Statements

Laraway Youth and Family Services, Inc.  
and Affiliates  
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
For the Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Tuition	\$ 1,801,664	\$ -	\$ 1,801,664
DCF foster care	616,810	-	616,810
Medicaid	7,477,700	-	7,477,700
Client transportation	33,540	-	33,540
Grant revenue	57,309	-	57,309
Other revenue	57,411	-	57,411
Interest income	26,089	-	26,089
Net assets released from restrictions	<u>9,984</u>	<u>(9,984)</u>	<u>-</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>10,080,507</u>	<u>(9,984)</u>	<u>10,070,523</u>
<b>EXPENSES</b>			
Program services:			
Education	3,384,617	-	3,384,617
Substitute care	305,291	-	305,291
Backpack	2,348,178	-	2,348,178
ISB	2,080,824	-	2,080,824
Tier II	282,225	-	282,225
Footbrook	1,321,347	-	1,321,347
Clinical	238,857	-	238,857
Laraway Farm, Inc Expenses	<u>194,537</u>	<u>-</u>	<u>194,537</u>
<b>TOTAL EXPENSES</b>	<u>10,155,876</u>	<u>-</u>	<u>10,155,876</u>
<b>DEFICIENCY OF EXPENSES OVER REVENUE AND OTHER SUPPORT</b>	<u>(75,369)</u>	<u>(9,984)</u>	<u>(85,353)</u>
<b>LOSS ON DISPOSAL OF ASSETS</b>	<u>(9,289)</u>	<u>-</u>	<u>(9,289)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(84,658)</u>	<u>(9,984)</u>	<u>(94,642)</u>
<b>NET ASSETS, beginning of year</b>	<u>2,735,875</u>	<u>349,448</u>	<u>3,085,323</u>
<b>NET ASSETS, end of year</b>	<u>\$ 2,651,217</u>	<u>\$ 339,464</u>	<u>\$ 2,990,681</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, 2016

	Program Services								
	Education	Substitute Care	Backpack	ISB	Tier II	Footbrook	Clinical	Laraway Farm	Total
<b>SALARIES AND RELATED EXPENSES</b>									
Salaries	\$ 2,075,028	\$ 62,592	\$ 1,366,503	\$ 853,512	\$ 171,864	\$ 837,166	\$ 135,108	\$ -	\$ 5,501,773
Payroll taxes and workers compensation	253,193	12,586	182,838	124,548	22,825	77,157	16,567	-	689,714
Employee benefits	517,281	35,204	324,954	202,569	62,106	111,217	35,443	-	1,288,774
	<u>2,845,502</u>	<u>110,382</u>	<u>1,874,295</u>	<u>1,180,629</u>	<u>256,795</u>	<u>1,025,540</u>	<u>187,118</u>	<u>-</u>	<u>7,480,261</u>
<b>TOTAL SALARIES AND RELATED EXPENSES</b>									
<b>OTHER EXPENSES</b>									
Occupancy	89,471	6,206	98,048	41,889	5,231	55,579	4,442	-	300,866
Equipment related expense	3,888	134	1,485	1,009	122	1,105	82	-	7,825
Transportation/vehicle	89,454	27,499	89,541	97,924	3,186	64,749	2,277	-	374,630
Food	83,896	555	4,461	774	106	24,607	70	-	114,469
Academic/professional services	27,695	1,719	23,479	20,262	2,558	24,194	39,615	-	139,522
Resident/student expense	81,676	150,656	13,709	637,482	162	39,172	453	-	923,310
Depreciation	24,291	2,351	21,157	17,240	2,351	9,404	1,567	124,710	203,071
Amortization	541	52	471	384	52	209	35	5,337	7,081
Supplies	2,294	237	963	537	120	556	80	-	4,787
Administrative expenses	136,616	6,026	217,436	87,222	12,250	72,603	3,411	64,490	600,054
	<u>539,822</u>	<u>195,435</u>	<u>470,750</u>	<u>904,723</u>	<u>26,138</u>	<u>292,178</u>	<u>52,032</u>	<u>194,537</u>	<u>2,675,615</u>
<b>TOTAL OTHER EXPENSES</b>									
<b>TOTAL EXPENSES</b>	<u>\$ 3,385,324</u>	<u>\$ 305,817</u>	<u>\$ 2,345,045</u>	<u>\$ 2,085,352</u>	<u>\$ 282,933</u>	<u>\$ 1,317,718</u>	<u>\$ 239,150</u>	<u>\$ 194,537</u>	<u>\$ 10,155,876</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, 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (94,642)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	189,036
Gain on sale of asset	(9,289)
Decrease (Increase) in:	
Accounts receivable	(255,699)
Investments	(2,528)
Closing costs	7,241
Restricted cash	10,209
Increase (Decrease) in:	
Accounts payable	929
Accrued salaries and payroll taxes	<u>(125,711)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(280,454)</u>
 <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Purchases of assets	<u>(177,491)</u>
 <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	
Principal payments on long-term debt	<u>(58,789)</u>
 <b>NET DECREASE IN CASH</b>	 (516,734)
 <b>CASH AT BEGINNING OF YEAR</b>	 <u>1,149,721</u>
 <b>CASH AT END OF YEAR</b>	 <u>\$ 632,987</u>
 <b>SUPPLEMENTAL DISCLOSURES</b>	
Interest paid	<u>\$ 118,108</u>

See Accompanying Notes to Consolidated Financial Statements



Laraway Youth and Family Services, Inc.  
and Affiliates  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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 2016 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, 2016

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.

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.

Laraway Youth and Family Services, Inc.  
and Affiliates  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2016, 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, 2013, 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.

Advertising

The Agency expenses advertising costs when incurred.

NOTE 2 RETIREMENT PLAN

Laraway Youth and Family Services, Inc. and affiliates has 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, 2016 is \$102,207.

Laraway Youth and Family Services, Inc.  
and Affiliates  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

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.	\$ 871,645
VEDA 2.50% interest, monthly principal and interest payments of \$3,035.30, due December 2019, secured by land and buildings.	485,247
3 VRV 2008 LLC Loan, 1.252% interest only payments until December 01, 2018. Principal and interest payments with interest at 5.252% begin on January 01, 2019, matures on December 01, 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>119,761</u> 4,809,693
Less: Current Portion	<u>(66,222)</u>
TOTAL LONG-TERM DEBT	<u>\$ 4,743,471</u>

Maturities of long-term debt are as follows:

2017	\$ 66,222
2018	69,079
2019	59,833
2020	1,281,519
2021	-
Thereafter	<u>3,333,040</u>
	<u>\$ 4,809,693</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, 2016 was \$30,976.

Laraway Youth and Family Services, Inc.  
and Affiliates  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

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, 2016 and as of June 30, 2016, 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 \$1,162 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, 2016, the carrying amount of cash deposits was \$663,693 and the bank balance was \$704,135. The amount of deposits that were covered by federal depository insurance coverage was \$331,340 and \$372,795 was insured by a sweep account at June 30, 2016.

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 2016 was \$24,622. The amount due as of June 30, 2016 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, 2016 are as follows: Billing fees – \$344,771 supervision/consultation fees – \$31,495 and psychiatric services – \$28,926.

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 2016.

NOTE 10     SUBSEQUENT EVENTS

In accordance with accounting standards the organizations have evaluated subsequent events through September 27, 2016, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2016, have been incorporated into the financial statements.

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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUE AND OTHER SUPPORT</b>			
Tuitions	\$ 1,725,840	\$ 1,801,664	\$ 75,824
DCF Foster Care	385,396	616,810	231,414
Medicaid	9,688,253	7,477,700	(2,210,553)
Client transportation	22,458	33,540	11,082
Grant revenue	113,918	57,309	(56,609)
Other revenue	91,304	57,411	(33,893)
Gain on sale of assets	-	(9,289)	(9,289)
Interest income	25,957	26,089	132
	<u>12,053,126</u>	<u>10,061,234</u>	<u>(1,991,892)</u>
<b>EXPENSES</b>			
Salaries	6,102,611	5,501,773	600,838
Payroll related expenses	689,776	689,714	62
Employee benefits	1,656,493	1,288,774	367,719
Occupancy	398,268	300,866	97,402
Equipment related expense	14,749	7,825	6,924
Transportation/vehicle	412,176	374,630	37,546
Food	108,901	114,469	(5,568)
Academic/professional services	210,593	139,522	71,071
Resident/student expense	1,428,495	923,310	505,185
Depreciation	210,353	203,071	7,282
Amortization	7,081	7,081	-
Supplies	-	4,787	(4,787)
Administrative expenses	673,313	600,054	73,259
	<u>11,912,809</u>	<u>10,155,876</u>	<u>1,756,933</u>
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<u>\$ 140,317</u>	<u>\$ (94,642)</u>	<u>\$ (234,959)</u>

Laraway Youth and Family Services, Inc.  
and Affiliates  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2016

ASSETS

	Laraway Youth and Family Services Inc.	Laraway Farm Inc.	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 613,819	\$ 19,168	\$ -	\$ 632,987
Accounts receivable (net of allowance of \$ 4,720)	983,882	-	-	983,882
Laraway Farm receivable	15,000	-	(15,000)	-
Investment	2,607	-	-	2,607
<b>TOTAL CURRENT ASSETS</b>	<b>1,615,308</b>	<b>19,168</b>	<b>(15,000)</b>	<b>1,619,476</b>
<b>PROPERTY AND EQUIPMENT</b>				
Land	47,750	-	-	47,750
Buildings	382,922	3,274,954	-	3,657,876
Building improvements	265,691	-	-	265,691
Leaschold Improvements	42,891	-	-	42,891
Equipment	331,440	161,620	-	493,060
Vehicles	95,871	-	-	95,871
Furniture	31,265	59,555	-	90,820
CIP	24,336	-	-	24,336
Total property and equipment	1,222,166	3,496,129	-	4,718,295
Accumulated depreciation	(219,875)	(667,882)	-	(887,757)
<b>TOTAL PROPERTY AND EQUIPMENT, net</b>	<b>1,002,291</b>	<b>2,828,247</b>	<b>-</b>	<b>3,830,538</b>
<b>RESTRICTED CASH</b>	<b>-</b>	<b>30,976</b>	<b>-</b>	<b>30,976</b>
<b>CLOSING COSTS, net</b>	<b>7,292</b>	<b>184,137</b>	<b>-</b>	<b>191,429</b>
<b>MORTGAGE RECEIVABLE, less current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NOTE RECEIVABLE</b>	<b>2,462,240</b>	<b>-</b>	<b>-</b>	<b>2,462,240</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,087,131</b>	<b>\$ 3,062,528</b>	<b>\$ (15,000)</b>	<b>\$ 8,134,659</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,124	\$ 3,477	\$ -	\$ 4,601
Accrued salaries, earned time and payroll taxes	329,684	-	-	329,684
Current portion of long-term debt	66,222	-	-	66,222
Other Liabilities	-	15,000	(15,000)	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>397,030</b>	<b>18,477</b>	<b>(15,000)</b>	<b>400,507</b>
<b>LONG-TERM DEBT, less current portion</b>	<b>1,410,431</b>	<b>3,333,040</b>	<b>-</b>	<b>4,743,471</b>
<b>NET ASSETS</b>	<b>3,279,670</b>	<b>(288,989)</b>	<b>-</b>	<b>2,990,681</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,087,131</b>	<b>\$ 3,062,528</b>	<b>\$ (15,000)</b>	<b>\$ 8,134,659</b>



Laraway Youth and Family Services, Inc.  
and Affiliates  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
For the Year Ended June 30, 2016

	Laraway Youth and Family Services Inc.	Laraway Farm, Inc.	Eliminations	Total
<b>REVENUE AND OTHER SUPPORT</b>				
Tuitions	\$ 1,801,664	\$ -	\$ -	\$ 1,801,664
DCF foster care	616,810	-	-	616,810
Medicaid	7,477,700	-	-	7,477,700
Client transportation	33,540	-	-	33,540
Grant revenue	57,309	-	-	57,309
Other revenue	57,411	-	-	57,411
Rental income	-	56,053	(56,053)	-
Interest income	26,053	36	-	26,089
	<u>10,070,487</u>	<u>56,089</u>	<u>(56,053)</u>	<u>10,070,523</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>				
<b>EXPENSES</b>				
Program services:				
Education	3,401,993	-	(17,376)	3,384,617
Substitute care	306,973	-	(1,682)	305,291
Backpack	2,363,312	-	(15,134)	2,348,178
ISB	2,093,156	-	(12,332)	2,080,824
Tier II	283,907	-	(1,682)	282,225
Footbook	1,328,073	-	(6,726)	1,321,347
Clinical	239,978	-	(1,121)	238,857
Laraway Farm, Inc expenses				
Operating expenses	-	64,490	-	64,490
Depreciation expense	-	124,710	-	124,710
Amortization expense	-	5,337	-	5,337
	<u>10,017,392</u>	<u>194,537</u>	<u>(56,053)</u>	<u>10,155,876</u>
<b>TOTAL EXPENSES</b>				
<b>EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUE AND OTHER SUPPORT</b>				
	53,095	(138,448)	-	(85,353)
<b>LOSS ON DISPOSAL OF ASSETS</b>				
	(9,289)	-	-	(9,289)
<b>CHANGE IN NET ASSETS</b>				
	43,806	(138,448)	-	(94,642)
<b>NET ASSETS, beginning of year</b>				
	<u>3,235,864</u>	<u>(150,541)</u>	<u>-</u>	<u>3,085,323</u>
<b>NET ASSETS, end of year</b>				
	<u>\$ 3,279,670</u>	<u>\$ (288,989)</u>	<u>\$ -</u>	<u>\$ 2,990,681</u>

