ASTOR SERVICES FOR CHILDREN & FAMILIES

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATES

COMBINED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2015 AND 2014

MARKS PANETH

ACCOUNTANTS & ADVISORS

ASTOR SERVICES FOR CHILDREN & FAMILIES AND AFFILIATES

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YEARS ENDED JUNE 30, 2015 AND 2014

CONTENTS

Marks Paneth LLP
685 Third Avenue
New York, NY 10017
P 212.503.8800
F 212.370.3759
www.markspaneth.com

New York City
Washington, DC
New Jersey
Long Island
Westchester
Cayman Islands

MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of Astor Services for Children & Families ("Astor"), The Astor Learning Center (the "Center"), 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, 2015 and 2014, 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 misstatements 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, The Astor Learning Center, and The Children's Foundation of Astor, Inc. as of June 30, 2015 and 2014, and the combined changes in their net assets and their cash flows for the years then ended, in conformity 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, The Astor Learning Center, and The Children's Foundation of Astor, Inc. as a whole. The supplementary information (included on pages 17-20) as of and for the year ended June 30, 2015 is presented for the purpose of additional analysis 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 when considered in relation to the combined financial statements as a whole.

Marks Paneth LLP

New York, NY
December 11, 2015

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents (Notes 2D and 9)	$ 1,333,013	$ 432,921
Investments in securities (Notes 2L, 11 and 13)	3,324,639	4,613,365
Accounts receivable, net (Note 2G)	7,432,015	8,623,679
Contribution in-kind - rent receivable, current, net (Notes 2F, 2J and 3)	514,944	514,944
Prepaid expenses, deposits and other assets	425,624	335,016
Total current assets	13,030,235	14,519,925
Contribution in-kind - rent receivable, non-current, net (Notes 2F, 2J and 3)	6,840,431	7,011,797
Property and equipment, net (Notes 2I, 4 and 5)	14,660,373	15,632,082
Restricted endowment investments (Notes 2B, 2L, 11, 12 and 13)	500,000	500,000
TOTAL ASSETS	$ 35,031,039	$ 37,663,804
LIABILITIES		
Accounts payable and accrued expenses	$ 1,873,006	$ 2,059,146
Accrued pension obligation - Archdiocese of New York (Note7)	407,243	801,889
Accrued salaries, vacation and benefits	2,534,980	2,222,187
Due to funding sources and deferred revenue (Note 2E)	2,909,668	4,594,652
Bank line of credit (Note 5)	2,300,000	600,000
Pension liability, current (Note 7)	993,991	-
Debt, current (Note 5)	490,390	464,943
Total current liabilities	11,509,278	10,742,817
Pension liability, nonburrent (Note 7)	5,359,232	-
Debt, noncurrent (Note 5)	9,593,983	10,075,555
TOTAL LIABILITIES	26,462,493	20,818,372
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Note 2B)		
Unrestricted:		
Invested in property and equipment	4,576,000	5,089,943
Penison liability	(6,353,223)	-
Operations	2,242,502	3,435,791
Total unrestricted	465,279	8,525,734
Temporarily restricted (Note 14)	7,603,267	7,819,698
Permanently restricted (Note 10)	500,000	500,000
TOTAL NET ASSETS	8,568,546	16,845,432
TOTAL LIABILITIES AND NET ASSETS	$ 35,031,039	$ 37,663,804

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

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	For the Year Ended June 30, 2015				For the Year Ended June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014
REVENUE AND SUPPORT:								
Revenue								
Government contracts and grants (Note 2E)	$ 29,428,878	$ -	$ -	$ 29,428,878	$ 27,150,822	$ -	$ -	$ 27,150,822
Contracts with non-governmental entities	1,607,670	-	-	1,607,670	1,591,946	-	-	1,591,946
Medicaid (Note 2E)	19,252,440	-	-	19,252,440	19,935,917	-	-	19,935,917
Private and insurance fees	3,544,628	-	-	3,544,628	2,502,873	-	-	2,502,873
Support								
Donated services and facilities (Notes 2F, 2J and 6)	718,345	343,578	-	1,061,923	1,045,002	351,583	-	1,396,585
Other (Note 6)	225,787	36,148	-	261,935	780,125	6,570	-	786,695
Grants								
United Way, Catholic Charities and other	178,677	63,067	-	241,744	719,884	73,116	-	793,000
Investment activity (Note 11)	35,345	240	-	35,585	579,122	114,430	-	693,552
Net assets released from restrictions (Note 2B)	659,464	(659,464)	-	-	621,699	(621,699)	-	-
TOTAL REVENUE AND SUPPORT	55,651,234	(216,431)	-	55,434,803	54,927,390	(76,000)	-	54,851,390
EXPENSES (Note 2H):								
Program services:								
Residential	14,100,253	-	-	14,100,253	13,759,400	-	-	13,759,400
Child guidance clinics	8,490,287	-	-	8,490,287	9,066,573	-	-	9,066,573
Day treatment	9,195,675	-	-	9,195,675	9,684,513	-	-	9,684,513
Prevention	6,612,256	-	-	6,612,256	6,539,908	-	-	6,539,908
Head start	5,413,257	-	-	5,413,257	4,865,732	-	-	4,865,732
Early head start	2,379,892	-	-	2,379,892	2,204,026	-	-	2,204,026
Universal pre-kindergarten	160,256	-	-	160,256	149,353	-	-	149,353
Special education	1,289,582	-	-	1,289,582	1,342,265	-	-	1,342,265
Learning Center	3,360,215	-	-	3,360,215	3,358,084	-	-	3,358,084
Individuals with Disabilities Education Act grant and other	265,188	-	-	265,188	262,986	-	-	262,986
Total program services	51,266,861	-	-	51,266,861	51,232,840	-	-	51,232,840
Support services:								
Management and administration	5,946,704	-	-	5,946,704	4,982,887	-	-	4,982,887
Fundraising	144,901	-	-	144,901	165,683	-	-	165,683
Total support services	6,091,605	-	-	6,091,605	5,148,570	-	-	5,148,570
TOTAL EXPENSES	57,358,466	-	-	57,358,466	56,381,410	-	-	56,381,410
CHANGE IN NET ASSETS BEFORE PENSION LIABILITY ADJUSTMENT	(1,707,232)	(216,431)	-	(1,923,663)	(1,454,020)	(76,000)	-	(1,530,020)
Pension liability adjustment (Note 7)	(6,353,223)	-	-	(6,353,223)	-	-	-	-
CHANGE IN NET ASSETS	(8,060,455)	(216,431)	-	(8,276,886)	(1,454,020)	(76,000)	-	(1,530,020)
Net assets - beginning of year	8,525,734	7,819,698	500,000	16,845,432	9,979,754	7,895,698	500,000	18,375,452
NET ASSETS - END OF YEAR	$ 465,279	$ 7,603,267	$ 500,000	$ 8,568,546	$ 8,525,734	$ 7,819,698	$ 500,000	$ 16,845,432

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

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (8,276,886)	$ (1,530,020)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,215,723	1,241,010
Amortization of discount on contribution in kind receivable	(343,578)	(351,583)
Reduction of contribution in-kind - rent receivable	514,944	514,944
Contributed securities	(3,118)	(3,119)
Realized/unrealized (gain) loss on investments	80,244	(585,312)
	(6,812,671)	(714,080)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,191,664	(482,468)
Prepaid expenses, deposits and other assets	(90,608)	89,704
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(186,140)	575,949
Accrued pension obligation - Archdiocese of New York	(394,646)	(419,241)
Accrued salaries, vacation and benefits	312,793	161,117
Pension liability	6,353,223	-
Due to funding sources and deferred revenue	(1,684,984)	(856,881)
Net Cash Used by Operating Activities	(1,311,369)	(1,645,900)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of securities	(415,400)	(565,057)
Proceeds from sales of securities	1,627,000	457,276
Purchases of property and equipment	(244,014)	(552,929)
Net Cash Provided by (Used in) Investing Activities	967,586	(660,710)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(456,125)	(430,305)
Borrowings on line of credit	1,700,000	600,000
Net Cash Provided by Financing Activities	1,243,875	169,695
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	900,092	(2,136,915)
Cash and cash equivalents - beginning of year	432,921	2,569,836
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,333,013	$ 432,921
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 643,524	$ 653,171

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

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

Astor Services for Children & Families ("Astor") and The Astor Learning Center ("Center") are not-for-profit membership corporations 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 and educational formats. Astor's major sources of revenue are federal, New York State and local agencies. The Center provides special education programs for children with learning disabilities. The Center's major source of revenue is provided by the New York State Department of Education.

The Children's Foundation of Astor ("Foundation") was incorporated in 1990 under the Not-For-Profit Corporation Law of the State of New York. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor.

These financial statements present the combined financial position , combined change in net assets and combined cash flows of Astor, the Center, and the Foundation (collectively, the "Organization"). This presentation is desired by management due to the common control of Astor and the Center and the financial interdependence between these entities and the Foundation.

The Organizations are qualified as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and accordingly are not subject to federal and state income taxes.

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.

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. The Organization has purpose and time restricted temporarily restricted net assets of $7,717,696 and $7,819,698 as of June 30, 2015 and 2014, respectively.

- 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, 2015 and 2014.

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.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 90% of the Organization’s unrestricted revenues were provided by Medicaid reimbursement and government contracts and grants during each of the years ended June 30, 2015 and 2014.

   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, 2015 and 2014 was approximately $20,000 and $127,000, respectively, of prior year 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, 2015 and 2014, the Center recognized an estimated increase of $46,309 and decrease of $9,583, 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, 2015 and 2014, the Organization determined that an allowance for doubtful accounts of approximately $60,000 and $63,000, respectively, is 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.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015 and 2014, the discount on pledges receivable amounted to $4,488,331 and $4,831,909, 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.

M. Certain line items in the June 30, 2014 combined financial statements have been reclassified to conform to the June 30, 2015 combined financial statement presentation.

NOTE 3—CONTRIBUTION IN-KIND RECEIVABLE

Contribution in-kind rent receivable consists of the following as of June 30, 2015 and 2014:

	2015	2014
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	9,268,986	9,783,930
	11,843,706	12,358,650
Less: Unamortized discount to present value	(4,488,331)	(4,831,909)
	$ 7,355,375	$ 7,526,741

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 $343,578 and $351,583 for the years ended June 30, 2015 and 2014, respectively.

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2015 and 2014:

	2015	2014	Estimated Useful Lives
Land	$ 505,358	$ 505,358	-
Buildings	18,576,468	18,575,667	40 years
Furniture and equipment	3,378,120	3,375,107	3-10 years
Vehicles	-	132,774	5 years
Leasehold improvements	7,382,580	7,009,606	Remaining lease term
Construction in progress (see below)	44,541	44,541	-
Total cost	29,887,067	29,643,053	
Accumulated depreciation and amortization	(15,226,694)	(14,010,971)	
Net book value	$ 14,660,373	$ 15,632,082	

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 amounted to $1,215,723 and $1,241,010, respectively. During the years ended June 30, 2015 and 2014, the Organization wrote off fully depreciated fixed assets amounting to $0 and $2,155,185, respectively.

As of June 30, 2015, construction in progress primarily consists of the renovation of the Residential Treatment Center ('RTC") that provides residence for 44 children served by the RTC program. Future costs are expected to be approximately $8 million.

NOTE 5—DEBT

Debt consists of the following as of June 30, 2015 and 2014:

	2015	2014
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.	$ 232,741	$ 278,658
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.	1,540,021	1,658,729
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.	44,844	73,351
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.	8,266,779	8,529,760
Total	10,084,385	10,540,498
Less: Current portion	(490,390)	(464,943)
Debt, net of current portion	$ 9,593,995	$ 10,075,555

NOTE 5—DEBT (Continued)

Future principal payments for the fiscal years subsequent to June 30, 2015 are as follows:

2016	$ 490,390
2017	500,994
2018	512,846
2019	560,335
2020	510,853
Thereafter (expiring January 2033)	7,508,967
	$ 10,084,385

Astor has an unsecured line of credit with a bank capped at $4,000,000, of which $2,300,000 and $600,000 were outstanding at June 30, 2015 and 2014, respectively. The line of credit carries interest at three percentage points above one month LIBOR (amounting to an interest rate of 3.19% and 4.25% as of June 30, 2015 and 2014, respectively). The line is payable on demand. As of December 11, 2015, there was $2,950,000 borrowed.

As of June 30, 2015, approximately $10,040,000 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. The Organization was not in compliance with certain administrative and financial covenants at June 30, 2015 and was granted a covenant waiver, for the fiscal year ended June 30, 2015, by the bank.

Interest expense related to long-term debt for the years ended June 30, 2015 and 2014 amounted to $643,536 and $653,171, respectively.

NOTE 6—RELATED PARTY TRANSACTIONS

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, 2015 and 2014. 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, 2015 and 2014, the insurance brokerage commissions paid to the Board member's firm amounted to $371,469 and $331,176, 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, 2015 and 2014, Astor paid legal fees to the Board member's law firm amounting to $11,126 and $10,964, 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 and the Center participate in the Archdiocesan Pension Plan (the "Plan"), a defined benefit multiemployer plan. All employees who meet the age and years of service requirements are noncontributory participants in the Plan. The Plan is under the aggregate funding method with an assumed rate of return of 7.5%. The contributions of all participating employers are pooled; therefore, no specific calculation of the present value of the vested benefits for employees of Astor has been made by the Plan. However, the Plan's consultant has indicated that the Plan's assets are 76.9% of the actuarially computed value of the Plan benefits for all participating employers as of the latest valuation date, January 1, 2013. The Plan is a Church Plan approved by the Internal Revenue Service and is exempt from compliance with ERISA. Astor's pension expense for the years ended June 30, 2015 and 2014 amounted to $2,846,758 and $2,241,016, respectively. The Center's pension expense for the years ended June 30, 2015 and 2014 amounted to $226,313 and $166,591, respectively. As of June 30, 2015 and 2014, the accrued pension obligation for the Plan was $407,243 and $801,889, respectively.

Astor withdrew from the Plan as of December 31, 2014 and implemented a 403(b) Thrift Service Plan ("403(b) Plan"). As a result of terminating from the Plan, the Archdiocese required that Astor Services pay an employer liability and administration charge of approximately $6,353,000, amortized over 5 years and 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 underfunding of the Plan.

Future principal payments for the fiscal years subsequent to June 30, 2015 are as follows:

2016	$ 993,991
2017	1,175,836
2018	1,264,024
2019	1,358,825
2020	1,460,737
Thereafter	99,810
	$ 6,353,223

In January 2015, Astor implemented a defined contribution 403(b) Thrift Plan ("403(b) Plan") covering all eligible employees. The 403(b) Plan which became effective January 1, 2015, is a calendar December 31st plan. 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. The pension expense for the year ended June 30, 2015 amounted to $609,050.

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, 2015 are as follows:

	Facilities	Vehicles	Equipment	Total
2016	$ 894,481	$ 171,625	$ 178,078	$ 1,244,184
2017	879,683	128,570	149,849	1,158,102
2018	787,806	111,551	117,699	1,017,056
2019	648,242	97,064	77,254	822,560
2020	275,950	65,219	19,722	360,891
	$ 3,486,162	$ 574,029	$ 542,602	$ 4,602,793

Rent expense for the facilities, vehicles and equipment amounted to $985,358, $255,395 and $244,335, respectively and $911,409, $231,210 and $209,761, respectively for the years ended June 30, 2015 and 2014, 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.

NOTE 8—COMMITMENTS AND CONTINGENCIES (Continued)

C. Astor, the Center and the Foundation believe they have no uncertain income tax positions as of June 30, 2015 and 2014 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. They believe they are no longer subject to federal or state and local income tax examinations by tax authorities for fiscal years before 2012.

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 $2,017,000 and $886,000 as of June 30, 2015 and 2014, respectively.

B. *Concentration of Labor*

Certain of the Organization's employees have formed collective bargaining units. As of June 30, 2015, the Organization is in the process of negotiating collective bargaining agreements with the units. Until the agreements are finalized, the collective bargaining units are covered by the existing work rules and policies of the Organization.

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, 2015 and 2014:

	2015	2014
Mutual funds		
Domestic equity	$ 1,288,218	$ 2,019,534
International equity	465,927	767,790
Fixed income	839,445	750,072
Exchange traded funds		
Domestic equity	309,939	492,095
International equity	72,258	90,989
Fixed income	220,245	184,940
Money market funds	87,707	271,159
Certificates of deposit	534,621	531,457
Common stocks	6,279	5,329
Subtotal	3,824,639	5,113,365
Restricted investments	(500,000)	(500,000)
Investments, net of restricted amounts	$ 3,324,639	$ 4,613,365

See Note 13 for the fair value hierarchy.

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

NOTE 11 – INVESTMENTS (Continued)

Investment activity consists of the following for the years ended June 30, 2015 and 2014:

	2015	2014
Interest and dividends	$ 115,829	$ 108,240
Net realized/unrealized gain	(80,244)	585,312
	$ 35,585	$ 693,552

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, 2015 and 2014, 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, 2015 and 2014.

Changes in endowment net assets (other than beneficial interest in related party) for the year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015
Investment activity:				
Interest and dividends	$ -	$ 19,384	$ -	$ 19,384
Unrealized loss on investments	-	(19,144)	-	(19,144)
Appropriated earnings	114,430	(114,430)	-	-
Withdrawal	(300,000)	-	-	(300,000)
Total investment activity	(185,570)	(114,190)	-	(299,760)
Endowment net assets, Beginning of year	215,614	114,430	500,000	830,044
Endowment net assets, End of year	$ 30,044	$ 240	$ 500,000	$ 530,284

NOTE 12 − ENDOWMENT NET ASSETS (Continued)

Changes in endowment net assets (other than beneficial interest in related party) for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013
Investment activity:				
Interest and dividends	$ -	$ 19,316	$ -	$ 19,316
Unrealized gain on investments	-	95,114	-	95,114
Total investment activity	-	114,430	-	114,430
Amount appropriated for expenditure	-	-	-	-
Endowment net assets, Beginning of year	215,614	-	500,000	715,614
Endowment net assets, end of year	$ 215,614	$ 114,430	$ 500,000	$ 830,044

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.

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, 2015 and 2014.

Mutual Funds:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation 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 (“CD’s”) 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 Foundation carries its CD’s at cost.

NOTE 13 − FAIR VALUE MEASUREMENTS (Continued)

The Foundation's financial assets carried at fair value at June 30, 2015 are classified in the table as follows:

	Level I	Level II	Total 2015
ASSETS CARRIED AT FAIR VALUE			
Mutual funds			
Domestic equity	$ 1,288,218	$ -	$ 1,288,218
International equity	465,927	-	465,927
Fixed income	839,445	-	839,445
Exchange traded funds			
Domestic equity	309,939	-	309,939
International equity	72,258	-	72,258
Fixed income	220,245	-	220,245
Money market funds	87,707	-	87,707
Certificates of deposit	-	534,621	534,621
Common stocks	6,279	-	6,279
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 3,290,018	$ 534,621	$ 3,824,639

The Foundation's financial assets carried at fair value at June 30, 2014 are classified in the table as follows:

	Level I	Level II	Total 2014
ASSETS CARRIED AT FAIR VALUE			
Mutual funds			
Domestic equity	$ 2,019,534	$ -	$ 2,019,534
International equity	767,790	-	767,790
Fixed income	750,072	-	750,072
Exchange traded funds			
Domestic equity	492,095	-	492,095
International equity	90,989	-	90,989
Fixed income	184,940	-	184,940
Money market funds	271,160	-	271,160
Certificates of deposit	-	531,457	531,457
Common stocks	5,328	-	5,328
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 4,581,908	$ 531,457	$ 5,113,365

NOTE 14—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following as of June 30, 2015 and 2014:

	2015	2014
Contribution in kind rent (see Note 3 for details)	$ 7,355,381	$ 7,526,741
Unappropriated earnings from endowment	240	114,430
Other	362,075	178,527
	$ 7,717,696	$ 7,819,698

Net assets were released from donor restrictions during the years ended June 30, 2014 and 2013, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors.

NOTE 15—SUBSEQUENT EVENTS

A. In July 2015, Astor, with the approval of the Catholic Alliance (the "Alliance") who oversees the Board of Directors for Astor Services and the Center, filed an application with Dutchess County Supreme Court ("Supreme Court") to approve a plan of merger between Astor and the Center. The approval was received in August 2015 and as a result the corporate existence of the Center was dissolved and Astor was granted an educational charter to assume the educational services previously undertaken by the Center.

B. Management has evaluated for potential recognition and disclosure events subsequent to the date of the combined statements of financial position through December 11, 2015, the date the combined financial statements were available to be issued.

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2015 AND 2014

	As of June 30, 2015					As of June 30, 2014				
	Astor Services for Children and Families, Inc.	The Astor Learning Center	The Children's Foundation of Astor, Inc.	Eliminations	Total 2015	Astor Services for Children and Families, Inc.	The Astor Learning Center	The Children's Foundation of Astor, Inc.	Eliminations	Total 2014
ASSETS										
Cash and cash equivalents	$ 1,206,384	$ 400	$ 126,229	$ -	$ 1,333,013	$ 153,396	$ 400	$ 279,125	$ -	$ 432,921
Investments in securities	-	-	3,324,639	-	3,324,639	-	-	4,613,365	-	4,613,365
Accounts receivable, net	6,708,036	723,979	-	-	7,432,015	7,764,471	859,208	-	-	8,623,679
Contribution in-kind - rent receivable, current, net	514,944	100,802	-	(100,802)	514,944	514,944	100,802	-	(100,802)	514,944
Prepaid expenses, deposits and other assets	320,257	100,885	4,482	-	425,624	212,501	114,316	8,199	-	335,016
Due from related parties	159,357	-	-	(159,357)	-	886,081	-	1,641	(887,722)	-
Total current assets	8,908,978	926,066	3,455,350	(260,159)	13,030,235	9,531,393	1,074,726	4,902,330	(988,524)	14,519,925
Contribution in-kind - rent receivable, non-current, net	6,840,437	1,339,038	-	(1,339,044)	6,840,431	7,011,803	1,372,583	-	(1,372,589)	7,011,797
Property and equipment, net	11,426,327	1,628,978	1,605,068	-	14,660,373	12,259,787	1,702,607	1,669,688	-	15,632,082
Due from from related parties	1,803,829	-	-	(1,803,829)	-	1,866,137	-	-	(1,866,137)	-
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	$ 29,479,571	$ 3,894,082	$ 5,560,418	$ (3,903,032)	$ 35,031,039	$ 31,169,120	$ 4,149,916	$ 7,072,018	$ (4,727,250)	$ 37,663,804
LIABILITIES										
Accounts payable and accrued expenses	$ 1,834,252	$ 38,754	$ -	$ -	$ 1,873,006	$ 2,016,377	$ 42,769	$ -	$ -	$ 2,059,146
Accrued pension obligation - Archdiocese of New York	407,243	-	-	-	407,243	801,889	-	-	-	801,889
Accrued salaries, vacation and benefits	2,534,980	-	-	-	2,534,980	2,222,187	-	-	-	2,222,187
Due to related parties	-	-	159,357	(159,357)	-	-	1,641	886,081	(887,722)	-
Due to funding sources and deferred revenue	2,909,668	-	-	-	2,909,668	4,594,652	-	-	-	4,594,652
Grant payable to related party, current	100,802	-	-	(100,802)	-	100,802	-	-	(100,802)	-
Line of credit	2,300,000	-	-	-	2,300,000	600,000	-	-	-	600,000
Pension liability, current	993,991	-	-	-	993,991	-	-	-	-	-
Debt, current	460,547	-	29,843	-	490,390	436,436	-	28,507	-	464,943
Total current liabilities	11,541,483	38,754	189,200	(260,159)	11,509,278	10,772,343	44,410	914,588	(988,524)	10,742,817
Due to related parties	-	1,803,829	-	(1,803,829)	-	-	1,866,137	-	(1,866,137)	-
Grant payable to related party, noncurrent	1,339,044	-	-	(1,339,044)	-	1,372,589	-	-	(1,372,589)	-
Pension liability, current	5,359,232	-	-	-	5,359,232	-	-	-	-	-
Debt, non current	9,578,994	-	14,989	-	9,593,983	10,030,711	-	44,844	-	10,075,555
TOTAL LIABILITIES	27,818,753	1,842,583	204,189	(3,403,032)	26,462,493	22,175,643	1,910,547	959,432	(4,227,250)	20,818,372
COMMITMENTS AND CONTINGENCIES										
NET ASSETS										
Unrestricted	(6,400,053)	611,659	4,813,833	1,439,840	465,279	794,217	765,984	5,492,148	1,473,385	8,525,734
Temporarily restricted	7,560,871	1,439,840	42,396	(1,439,840)	7,603,267	7,699,260	1,473,385	120,438	(1,473,385)	7,819,698
Permanently restricted	500,000	-	500,000	(500,000)	500,000	500,000	-	500,000	(500,000)	500,000
TOTAL NET ASSETS	1,660,818	2,051,499	5,356,229	(500,000)	8,568,546	8,993,477	2,239,369	6,112,586	(500,000)	16,845,432
TOTAL LIABILITIES AND NET ASSETS	$ 29,479,571	$ 3,894,082	$ 5,560,418	$ (3,903,032)	$ 35,031,039	$ 31,169,120	$ 4,149,916	$ 7,072,018	$ (4,727,250)	$ 37,663,804

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted				Temporarily Restricted				Permanently Restricted				
	Astor Services for Children and Families, Inc.	The Astor Learning Center	The Children's Foundation of Astor, Inc.	Total Unrestricted	Astor Services for Children and Families, Inc.	The Astor Learning Center	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 2015
OPERATING REVENUE AND SUPPORT:													
Revenue													
Government contracts and grants	$ 25,899,828	$ 3,529,050	$ -	$ 29,428,878	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,428,878
Contracts with non-governmental entities	1,607,670	-	-	1,607,670	-	-	-	-	-	-	-	-	1,607,670
Medicaid	19,252,440	-	-	19,252,440	-	-	-	-	-	-	-	-	19,252,440
Private and insurance fees	3,544,628	-	-	3,544,628	-	-	-	-	-	-	-	-	3,544,628
Support													
Donated services and facilities	718,345	-	-	718,345	343,578	67,257	-	410,835	-	-	-	(67,257)	1,061,923
Rental income from related party	-	-	48,611	48,611	-	-	-	-	-	-	-	(48,611)	-
Other	208,293	-	214,840	423,133	-	-	36,148	36,148	-	-	-	(197,346)	261,935
Grants													
United Way, Catholic Charities and other	685,027	200,673	-	885,700	63,067	-	-	63,067	-	-	-	(707,023)	241,744
Investment activity	-	-	35,345	35,345	-	-	240	240	-	-	-	-	35,585
Net assets released from restrictions	545,034	100,802	114,430	760,266	(545,034)	(100,802)	(114,430)	(760,266)	-	-	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	52,461,265	3,830,525	413,226	56,705,016	(138,389)	(33,545)	(78,042)	(249,976)	-	-	-	(1,020,237)	55,434,803
OPERATING EXPENSES													
Program services:													
Residential	14,100,253	-	-	14,100,253	-	-	-	-	-	-	-	-	14,100,253
Child guidance clinics	8,490,287	-	-	8,490,287	-	-	-	-	-	-	-	-	8,490,287
Day treatment	9,195,675	-	-	9,195,675	-	-	-	-	-	-	-	-	9,195,675
Prevention	6,612,256	-	-	6,612,256	-	-	-	-	-	-	-	-	6,612,256
Head start	5,413,257	-	-	5,413,257	-	-	-	-	-	-	-	-	5,413,257
Early head start	2,379,892	-	-	2,379,892	-	-	-	-	-	-	-	-	2,379,892
Universal pre-kindergarten	160,256	-	-	160,256	-	-	-	-	-	-	-	-	160,256
Special education	1,289,582	-	-	1,289,582	-	-	-	-	-	-	-	-	1,289,582
Learning Center	-	3,360,215	-	3,360,215	-	-	-	-	-	-	-	-	3,360,215
Individuals with Disabilities Education Act grant and other	-	197,797	774,414	972,211	-	-	-	-	-	-	-	(707,023)	265,188
Total program services	47,641,458	3,558,012	774,414	51,973,884	-	-	-	-	-	-	-	(707,023)	51,266,861
Support services:													
Management and administration	5,587,239	426,838	245,841	6,259,918	-	-	-	-	-	-	-	(313,214)	5,946,704
Fundraising	73,615	-	71,286	144,901	-	-	-	-	-	-	-	-	144,901
Total support services	5,660,854	426,838	317,127	6,404,819	-	-	-	-	-	-	-	(313,214)	6,091,605
TOTAL OPERATING EXPENSES	53,302,312	3,984,850	1,091,541	58,378,703	-	-	-	-	-	-	-	(1,020,237)	57,358,466
CHANGE IN NET ASSETS BEFORE PENSION LIABILITY ADJUSTMENT	(841,047)	(154,325)	(678,315)	(1,673,687)	(138,389)	(33,545)	(78,042)	(249,976)	-	-	-	-	(1,923,663)
Pension liability adjustment	(6,353,223)	-	-	(6,353,223)	-	-	-	-	-	-	-	-	(6,353,223)
CHANGE IN NET ASSETS	(7,194,270)	(154,325)	(678,315)	(8,026,910)	(138,389)	(33,545)	(78,042)	(249,976)	-	-	-	-	(8,276,886)
Net assets - beginning of year	794,217	765,984	5,492,148	7,052,349	7,699,260	1,473,385	120,438	9,293,083	500,000	500,000	1,000,000	(500,000)	16,845,432
NET ASSETS - END OF YEAR	$ (6,400,053)	$ 611,659	$ 4,813,833	$ (974,561)	$ 7,560,871	$ 1,439,840	$ 42,396	$ 9,043,107	$ 500,000	$ 500,000	$ 1,000,000	$ (500,000)	$ 8,568,546

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted				Temporarily Restricted				Permanently Restricted				
	Astor Services for Children and Families, Inc.	The Astor Learning Center	The Children's Foundation of Astor, Inc.	Total Unrestricted	Astor Services for Children and Families, Inc.	The Astor Learning Center	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 2014
OPERATING REVENUE AND SUPPORT:													
Revenue													
Government contracts and grants	$ 23,676,200	$ 3,474,622	$ -	$ 27,150,822	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,150,822
Contracts with non-governmental entities	1,591,946	-	-	1,591,946	-	-	-	-	-	-	-	-	1,591,946
Medicaid	19,935,917	-	-	19,935,917	-	-	-	-	-	-	-	-	19,935,917
Private and insurance fees	2,502,873	-	-	2,502,873	-	-	-	-	-	-	-	-	2,502,873
Support													
Donated services and facilities	1,045,002	-	-	1,045,002	351,583	68,824	-	420,407	-	-	-	(68,824)	1,396,585
Rental income from related party	-	-	51,717	51,717	-	-	-	-	-	-	-	(51,717)	-
Other	730,417	-	212,056	942,473	-	-	6,570	6,570	-	-	-	(162,348)	786,695
Grants													
United Way, Catholic Charities and other	657,840	195,872	-	853,712	73,116	-	-	73,116	-	-	-	(133,828)	793,000
Investment activity	-	-	579,122	579,122	-	-	114,430	114,430	-	-	-	-	693,552
Net assets released from restrictions	612,696	100,802	9,003	722,501	(612,696)	(100,802)	(9,003)	(722,501)	-	-	-	- (A)	-
TOTAL OPERATING REVENUE AND SUPPORT	50,752,891	3,771,296	851,898	55,376,085	(187,997)	(31,978)	111,997	(107,978)	-	-	-	(416,717)	54,851,390
OPERATING EXPENSES													
Program services:													
Residential	13,759,400	-	-	13,759,400	-	-	-	-	-	-	-	-	13,759,400
Child guidance clinics	9,066,573	-	-	9,066,573	-	-	-	-	-	-	-	-	9,066,573
Day treatment	9,684,513	-	-	9,684,513	-	-	-	-	-	-	-	-	9,684,513
Prevention	6,539,908	-	-	6,539,908	-	-	-	-	-	-	-	-	6,539,908
Head start	4,865,732	-	-	4,865,732	-	-	-	-	-	-	-	-	4,865,732
Early head start	2,204,026	-	-	2,204,026	-	-	-	-	-	-	-	-	2,204,026
Universal pre-kindergarten	149,353	-	-	149,353	-	-	-	-	-	-	-	-	149,353
Special education	1,342,265	-	-	1,342,265	-	-	-	-	-	-	-	-	1,342,265
Learning Center	-	3,358,084	-	3,358,084	-	-	-	-	-	-	-	-	3,358,084
Individuals with Disabilities Education Act grant and other	-	194,304	202,510	396,814	-	-	-	-	-	-	-	(133,828)	262,986
Total program services	47,611,770	3,552,388	202,510	51,366,668	-	-	-	-	-	-	-	(133,828)	51,232,840
Support services:													
Management and administration	4,688,553	347,489	229,734	5,265,776	-	-	-	-	-	-	-	(282,889)	4,982,887
Fundraising	63,310	-	102,373	165,683	-	-	-	-	-	-	-	-	165,683
Total support services	4,751,863	347,489	332,107	5,431,459	-	-	-	-	-	-	-	(282,889)	5,148,570
TOTAL OPERATING EXPENSES	52,363,633	3,899,877	534,617	56,798,127	-	-	-	-	-	-	-	(416,717)	56,381,410
CHANGE IN NET ASSETS	(1,610,742)	(128,581)	317,281	(1,422,042)	(187,997)	(31,978)	111,997	(107,978)	-	-	-	-	(1,530,020)
Net assets - beginning of year	2,404,959	894,565	5,174,867	8,474,391	7,887,257	1,505,363	8,441	9,401,061	500,000	500,000	1,000,000	(500,000)	18,375,452
NET ASSETS - END OF YEAR	$ 794,217	$ 765,984	$ 5,492,148	$ 7,052,349	$ 7,699,260	$ 1,473,385	$ 120,438	$ 9,293,083	$ 500,000	$ 500,000	$ 1,000,000	$ (500,000)	$ 16,845,432

(A) - $100,802 is eliminated from both 'unrestricted' and 'temporarily restricted' activites as it pertains to an intercompany transaction

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN AND FAMILIES AND AFFILIATES
COMBINING SCHEDULE OF FUNCTIONAL AND ALLOCATED EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Totals for 2014)

	Program services												Supporting Services						
	Astor Services for Children and Families, Inc.								The Astor Learning Center		The Children's Foundation of Astor, Inc.		Astor Services for Children and Families, Inc.		The Astor Learning Center	The Children's Foundation of Astor, Inc.			
	Residential Programs	Child Guidance Clinics	Day Treatment	Prevention	Head Start	Early Head Start	Universal Pre-K	Special Education	Learning Center	IDEA	Other	Total Program Services	Fundraising	Administration	Administration	Fundraising	Administration	Combined Total 2015	Combined Total 2014
Salaries and related expenses:																			
Salaries	$ 6,665,466	$ 5,072,836	$ 5,709,878	$ 3,931,774	$ 2,793,521	$ 997,413	$ 83,900	$ 757,109	$ 1,907,184	$ 86,341	$ -	$ 28,005,422	$ -	$ 2,771,445	$ -	$ -	$ -	$ 30,776,867	$ 29,833,199
Social security	469,409	355,803	402,234	280,495	199,596	70,489	6,241	53,202	137,164	5,878	-	1,980,511	-	195,309	-	-	-	2,175,820	2,102,724
Health insurance	1,210,940	926,935	1,047,183	717,239	509,905	182,390	15,511	138,821	348,763	15,801	-	5,113,488	-	497,805	-	-	-	5,611,293	5,430,404
Pension	657,030	502,935	568,179	389,159	276,663	98,961	8,416	75,321	217,740	8,573	-	2,802,977	-	270,098	-	-	-	3,073,075	2,407,607
Workers' compensation and other benefits	156,886	154,026	150,655	109,146	155,152	23,937	2,270	38,017	50,008	1,988	-	842,085	-	171,152	-	-	-	1,013,237	992,407
Total salaries and related expenses	9,159,731	7,012,535	7,878,129	5,427,813	3,934,837	1,373,190	116,338	1,062,470	2,660,859	118,581	-	38,744,483	-	3,905,809	-	-	-	42,650,292	40,766,341
Transportation	72,735	15,467	5,430	104,274	54,844	701	19	100	325	274	-	254,169	-	51,453	-	-	-	305,622	336,775
Allowance to parents	272	-	-	-	6,429	917	-	25	-	-	-	7,643	-	-	-	-	-	7,643	4,517
Children's activities	43,911	406	35,117	4,880	72	104	-	6	3,864	1,000	-	89,360	2,338	-	-	-	-	91,698	82,253
Related school	-	-	5,790	-	-	-	-	-	44,599	-	-	50,389	-	-	-	-	-	50,389	47,634
Religious	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171
Purchase of other services	163,156	371,007	237,098	103,212	176,853	37,768	6,111	18,334	24,807	-	-	1,138,346	13,500	447,643	-	-	46,379	1,645,868	1,895,001
Purchase of health services	629,313	157,583	258,259	125,358	18,338	-	-	103,281	57,806	-	-	1,349,938	-	18,093	-	-	-	1,368,031	1,624,609
Food	225,059	1,223	49,186	357	156,170	42,888	7,020	22,726	394	-	-	505,023	-	3,160	-	-	-	508,183	471,584
Clothing	12,849	-	29	-	5,270	-	-	-	-	-	-	18,148	-	-	-	-	-	18,148	27,344
Bedding and linen	5,450	-	-	-	-	-	-	-	-	-	-	5,450	-	-	-	-	-	5,450	1,007
Supplies and equipment																			
Other	110,563	33,736	120,203	20,273	190,217	60,408	2,015	11,143	20,770	66,419	-	635,747	-	20,813	-	-	-	656,560	470,756
Medical	554,410	228	1,016	37	-	115	-	-	-	-	-	555,806	-	-	-	-	-	555,806	624,376
Rent																			-
Property	133,346	228,926	259,547	214,541	95,832	25,098	693	10,478	8,768	-	-	977,229	-	8,128	-	-	-	985,357	911,409
Furniture and equipment	45,704	46,812	31,753	43,778	15,987	5,097	2,493	2,928	16,273	-	-	210,825	-	33,510	-	-	-	244,335	231,210
Vehicles	53,135	16,344	11,089	87,524	7,435	62,288	-	-	2,065	-	-	239,880	-	15,515	-	-	-	255,395	209,761
Donated facilities	-	-							100,164	638	-	100,802	-	-	-	-	-	100,802	100,802
Utilities	159,399	80,630	88,440	30,296	99,867	28,647	7,633	18,740	100,169	-	-	613,821	-	48,029	-	-	-	661,850	770,983
Repairs and maintenance																			
Plant	51,596	11,983	21,072	7,035	14,548	5,720	1,039	2,904	34,653	-	-	150,550	-	21,736	-	-	-	172,286	174,771
Equipment	37,285	60,148	47,876	26,439	143,147	9,073	1,601	4,050	8,071	-	-	337,690	-	582,978	-	-	-	920,668	777,597
Vehicles	8,204	6,110	756	8,327	3,287	3,928	30	48	702	-	-	31,392	-	4,157	-	-	-	35,549	28,921
Telephone	76,654	154,094	(173,486)	85,367	(115,442)	12,060	1,163	4,388	23,596	-	-	68,394	-	39,111	-	-	-	107,505	436,929
Postage	10,818	13,468	1,664	12,809	1,968	473	132	326	4,011	-	-	45,669	-	16,474	-	-	-	62,143	61,089
Dues, licenses and permits	12,696	15,236	5,900	5,011	11,479	109	-	1,314	4,936	-	-	56,681	-	134,246	-	-	-	190,927	163,277
Office supplies	38,062	42,434	26,336	40,366	40,858	7,021	445	2,250	2,909	-	-	200,681	-	31,485	-	-	-	232,166	202,868
Subscriptions and publications	869	996	1,081	392	10,388	-	-	-	156	3,708	-	17,590	-	12,704	-	-	-	30,294	36,140
Conferences	1,910	2,244	2,243	9,726	3,621	-	-	-	-	-	-	19,744	-	4,599	-	-	-	24,343	25,021
Administrative	6,075	3,976	3,962	5,888	3,229	76	10	162	109	-	-	23,487	1,675	78,476	-	-	199,462	303,100	285,173
Staff development	16,056	22,598	18,246	57,351	30,066	5,871	249	380	2,351	4,279	-	157,447	-	12,962	-	-	-	170,409	295,978
Parent development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant expense	-	-	-	-	-	-	-	-	-	-	707,023	707,023	32,306	67,257	-	-	-	806,586	236,212
Publicity	4,836	2,851	931	723	-	-	-	-	46	-	-	9,387	10,780	10,746	-	71,286	-	102,199	136,000
Legal/audit	7,305	8,566	6,290	3,797	505	4,328	-	-	21,040	-	-	51,831	-	158,148	-	-	-	209,979	227,915
Insurance	175,239	109,290	117,806	83,775	64,869	21,656	2,099	17,031	41,286	2,635	-	635,686	-	-	-	-	-	635,686	670,111
Interest	475,989	-	14,268	-	-	-	-	-	88,689	-	2,771	581,717	-	61,807	-	-	-	643,524	653,171
Depreciation and amortization	506,063	44,674	91,110	24,163	142,534	28,499	5	2,374	86,797	263	64,620	991,102	13,016	225,038	-	-	-	1,229,156	1,254,442
Boarding home payments - exceptional	1,127,373									-	-	1,127,373	-	-	-	-	-	1,127,373	954,624
Boarding home payments - clothing payments	37,328	-	-	-	-	-	-	-	-	-	-	37,328	-	-	-	-	-	37,328	27,892
Delegated donated services	112,653	26,471	28,534	20,291	296,049	643,857	508	4,124	-	-	-	1,132,487	-	-	-	-	-	1,132,487	1,459,146
ICM demand expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	542
ICM crisis expense	-	-	-	47	-	-	-	-	-	-	-	47	-	-	-	-	-	47	-
Wrap around expense	24,209	251	-	58,406	-	-	10,653	-	-	-	-	93,519	-	-	-	-	-	93,519	112,775
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses before allocation	14,100,253	8,490,287	9,195,675	6,612,256	5,413,257	2,379,892	160,256	1,289,582	3,360,215	197,797	774,414	51,973,884	73,615	6,014,077	-	71,286	245,841	58,378,703	56,798,127
Allocation of central administration	1,660,401	1,054,810	1,136,701	809,080	282,653	93,255	20,889	165,875	401,561	25,277	-	5,650,502	-	(5,223,664)	(426,838)	-	-	-	-
Central administration income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation to related party	-	-	-	-	-	-	-	-	-	-	-	-	-	(426,838)	426,838	-	-	-	-
Total expenses after allocation	$ 15,760,654	$ 9,545,097	$ 10,332,376	$ 7,421,336	$ 5,695,910	$ 2,473,147	$ 181,145	$ 1,455,457	$ 3,761,776	$ 223,074	$ 774,414	$ 57,624,386	$ 73,615	$ 363,575	$ -	$ 71,286	$ 245,841	$ 58,378,703	$ 56,798,127

See independent auditors' report.