NORTHEAST YOUTH AND FAMILY SERVICES

REPORT ON AUDIT

JUNE 30, 2018

LETHERT, SKWIRA, SCHULTZ & CO. LLP
CERTIFIED PUBLIC ACCOUNTANTS ◆ BUSINESS CONSULTANTS
Helping Business Conduct Business Since 1918

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Northeast Youth and Family Services

We have audited the accompanying financial statements of **Northeast Youth and Family Services** (a nonprofit organization), which comprise the statements of financial position as of **June 30, 2018** and 2017, and the related statements of activities and changes in net assets and cash flows for the years 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Northeast Youth and Family Services** as of **June 30, 2018** and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited **Northeast Youth and Family Services'** 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated October 23, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 14 is presented for 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

November 9, 2018

Lethert, Skwira, Schultz & Co. LLP

LETHERT, SKWIRA, SCHULTZ & CO. LLP

NORTHEAST YOUTH AND FAMILY SERVICES

INDEX	PAGE NO.

SUPPLEMENTARY INFORMATION

Statements of Financial Position

June 30, 2018 and 2017

ASSETS	2018	2017
Current Assets		
Cash and equivalents	**$ 518,135**	$ 497,666
Certificates of deposit	**365,798**	364,096
Accounts receivable, net of allowance for doubtful accounts, **2018**, **$90,439** and 2017, $46,340 (Note 4)	**110,421**	166,084
Grants receivable	**126,599**	217,225
Rent receivable	**27,614**	-
Prepayments	**67,353**	79,030
Total Current Assets	**1,215,920**	1,324,101
Property and Equipment		
Land	**480,000**	480,000
Building and improvements	**5,368,209**	5,333,767
Furniture and equipment	**144,723**	144,723
Total	**5,992,932**	5,958,490
Less: Accumulated depreciation	**2,216,106**	2,066,202
Total Property and Equipment	**3,776,826**	3,892,288
Other Assets		
Intangible assets, net (Note 5)	**12,163**	15,336
TOTAL ASSETS	**$ 5,004,909**	$ 5,231,725

Statements of Financial Position

June 30, 2018 and 2017

LIABILITIES AND NET ASSETS	**2018**	2017
Current Liabilities		
Current maturities of long-term debt	**$ 93,000**	$ 82,000
Accounts payable	**2,228**	20,977
Fiscal agency payable	**721**	721
Accrued payroll and payroll taxes	**41,848**	65,798
Accrued vacation	**161,434**	163,709
Accrued expenses	**11,133**	9,537
Other current liabilities	**7,551**	7,551
Deferred revenue	**173,501**	159,752
Total Current Liabilities	**491,416**	510,045
Long-Term Debt (Note 8)		
Long-term debt	**2,788,747**	2,866,922
Less: Current maturities	**93,000**	82,000
Total Long-Term Debt	**2,695,747**	2,784,922
Net Assets		
Unrestricted:		
Unrestricted	**836,146**	875,117
Designated for future endowment	**17,191**	17,175
Designated for building reserve	**122,279**	121,669
Designated for general operations	**226,327**	225,252
Total Unrestricted	**1,201,943**	1,239,213
Temporarily restricted (Note 10)	**615,803**	697,545
Net Assets	**1,817,746**	1,936,758
TOTAL LIABILITIES AND NET ASSETS	**$ 5,004,909**	$ 5,231,725

Statements of Activities and Changes in Net Assets

For the Year Ended **June 30, 2018**
(with comparative totals for 2017)

	2018			2017
	Unrestricted	**Temporarily Restricted**	**Total**	Total
Support and Revenue				
Support				
Grants	**$ 582,367**	**$ -**	**$ 582,367**	$ 574,287
Contributions	**65,232**	**-**	**65,232**	48,606
Special events	**91,909**	**-**	**91,909**	84,014
Revenue				
Program service fees	**1,839,836**	**-**	**1,839,836**	1,999,987
Rental income	**489,232**	**-**	**489,232**	441,541
Investment income	**2,471**	**-**	**2,471**	875
Miscellaneous	**10,647**	**-**	**10,647**	8,743
Net Assets Released from Restrictions	**81,742**	**(81,742)**	**-**	-
Total Support and Revenue	**3,163,436**	**(81,742)**	**3,081,694**	3,158,053
Expenses				
Program Services				
Mental health	**1,180,945**	**-**	**1,180,945**	1,098,527
Community services	**374,120**	**-**	**374,120**	389,975
Day treatment services	**1,148,236**	**-**	**1,148,236**	1,144,022
Total Program Services	**2,703,301**	**-**	**2,703,301**	2,632,524
Management and general	**114,941**	**-**	**114,941**	118,647
Fund raising	**212,936**	**-**	**212,936**	197,531
Building rental expense	**169,528**	**-**	**169,528**	177,683
Total Supporting Services	**497,405**	**-**	**497,405**	493,861
Total Expenses	**3,200,706**	**-**	**3,200,706**	3,126,385
Increase (Decrease) in Net Assets	**(37,270)**	**(81,742)**	**(119,012)**	31,668
Net Assets, Beginning of Year	**1,239,213**	**697,545**	**1,936,758**	1,905,090
Net Assets, End of Year	**$ 1,201,943**	**$ 615,803**	**$ 1,817,746**	$ 1,936,758

NORTHEAST YOUTH AND FAMILY SERVICES

Statements of Cash Flows

For the Years Ended **June 30, 2018** and 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (decrease) in net assets	**$ (119,012)**	$ 31,668
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	**153,077**	170,169
Amortization of debt issuance costs	**3,567**	5,219
Increase (decrease) in cash flows from:		
Certificates of deposit	**(1,702)**	(80)
Accounts receivable	**55,663**	(27,309)
Grants receivable	**90,626**	(15,672)
Rent receivable	**(27,614)**	-
Prepayments	**11,677**	(17,807)
Accounts payable	**(18,749)**	(48,986)
Accrued payroll and payroll taxes	**(23,950)**	12,281
Accrued vacation	**(2,275)**	(14,925)
Accrued expenses	**1,596**	(1,548)
Other current liabilities	**-**	6,051
Deferred revenue	**13,749**	25,000
Net Cash Provided by Operating Activities	**136,653**	124,061
Cash Flows From Investing Activities		
Leasing costs	**-**	(15,865)
Purchase of property and equipment	**(34,442)**	(78,335)
Net Cash Used by Investing Activities	**(34,442)**	(94,200)
Cash Flows From Financing Activities		
Payments of long-term debt	**(81,742)**	(84,274)
Restricted cash and liability	**-**	720
Net Cash Used by Financing Activities	**(81,742)**	(83,554)
Net Increase (Decrease) in Cash and Equivalents	**20,469**	(53,693)
Cash and Equivalents, Beginning of Year	**497,666**	551,359
Cash and Equivalents, End of Year	**$ 518,135**	$ 497,666

Supplemental Disclosures of Cash Flows Information

	2018	2017
Cash Paid During the Year for:		
Interest Paid	**$ 84,637**	$ 88,316

The accompanying notes are an integral part of this financial statement.

NOTE 1 NATURE OF ACTIVITIES

Nature of Activities

Northeast Youth & Family Services (NYFS or Organization) is a private, non-profit organization under IRC Section 501(c)(3) committed to preparing youth and families for healthy lives. Services of the Organization include:

Out-Patient Mental Health Services:

Counseling Services - Licensed mental health professionals provide therapy to children, adolescents, adults, and families at our two clinics, on location in schools, and in client's homes. Basic psychiatric care and medication services are also available for children and adolescents.

Educational and Support Groups - NYFS staff offer information and support on issues such as parenting and mindfullness through presentations in the community and educational and support groups.

Day Treatment Services

Northeast Educational and Therapeutic Services (NETS): is a daily, year round program for youth in grades 5 - 12 that combines mental health therapy and academic instruction to address the needs of youth who are severely emotionally disturbed.

REACH Academy: is a special education program of the Mounds View School District run in partnership with NYFS that provides educational instruction and therapeutic support for students in grades 8 - 12 who need emotional and/or behavioral services.

Community Services:

Senior Chore Program - links youth age 14 and older and adults with seniors in need of basic chore and homemaker services that allows them to live independently while fostering intergenerational relationships and gainful work experience for youth.

Diversion Program - works to reduce recidivism among youth ages 10-17 who commit minor offenses through restorative justice strategies and helping youth form positive connections in their community.

Out of School Time (OST) Program: helps at risk youth improve academic achievement through experiential activities that develop personal skills important to long term success and that foster connections to community resources.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ACCOUNTING ESTIMATES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization follows the "Financial Statements of Not-for-Profit Organizations" standard which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows.

Unrestricted net assets have no donor imposed restrictions, or the donor imposed restrictions have expired. Unrestricted net assets may be designated for specific purposes by the Board of Directors.

Temporarily restricted net assets have donor imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor specified purpose.

Permanently restricted net assets have donor imposed restrictions which do not expire.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Program revenue is recorded when earned. The Organization extended unsecured credit to its clients in the normal course of activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ACCOUNTING ESTIMATES (CONTINUED)

Support and Revenue Recognition (CONTINUED)

The Organization uses the allowance method to determine uncollectible contributions and grants. The allowance is based on prior years' experience and management's analysis of the outstanding receivables. There was no allowance for pledges or grants for the years ended **June 30, 2018** and 2017.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients and third party payers. Management reviews receivables by payer class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write-off and recovery information in determining the estimated bad debt provision. The Organization does not charge interest on accounts receivable. For the years ended **June 30, 2018** and 2017, the Organization had allowance for bad debts of **$90,439** and $46,340, respectively.

Investments

Investments are stated at cost and consist of certificates of deposits. The investments at **June 30, 2018** and 2017, totaled **$365,798** and $364,096, respectively, and are Board designated for future endowment purpose, building reserve, and general operations.

Realized gains and losses are included in the Statements of Activities and Changes in Net Assets.

Investment income consists entirely of interest earned on certificates of deposit.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for the acquisition of property and equipment greater than $500 are capitalized at cost and donated property and equipment is capitalized at fair value. Depreciation is provided on the straight-line method over the following estimated useful lives:

Buildings and improvements	39 Years
Furniture and equipment	5-10 Years

Depreciation expense for the years ended **June 30, 2018** and 2017 was **$149,904** and $165,807, respectively.

Intangible Assets

Intangible assets consist of costs associated with locating tenants and deferred financing costs. The assets are being amortized using the straight-line method over the term of the asset.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ACCOUNTING ESTIMATES (CONTINUED)

Contributed Property and Services

In accordance with Accounting for Contributions Received and Contributions Made, donated services are recognized as contributions if the services (a) create or enhance non-financial assets; or, (b) require specialized skills, as performed by people with those skills, and would otherwise be purchased by the Organization. Property, services, and other noncash donations are recorded as in-kind contributions at their estimated fair market value at the date of the donation.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Income Taxes

The Organization was granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation. Building rental activities are not directly related to the Organization's tax exempt purpose and are subject to taxation as unrelated income.

The Organization follows a "more likely than not" criterion for recognizing the tax benefit of uncertain tax positions. The Organization has identified no such exposures. The current tax years open are 2014 through 2017. During the upcoming 12 months, the Organization expects no material changes to occur related to Accounting for Uncertainty in Income Taxes.

The Organization recognizes interest and penalties related to income taxes in operating expenses. The amount of interest and penalties currently recognized in tax expense totaled **$0** and $0 for the years ended **June 30, 2018** and 2017, respectively.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on allocation measures determined by management.

Summarized Financial Information

The financial information shown in the totals column as of June 30, 2017, and for the year then ended, is presented for comparative purposes only and is not intended to be a complete financial statement presentation. Data in these columns are not intended to present financial position or results of operations in conformity with accounting principals generally accepted in the United States of America. Such information should be read in conjunction with the **Northeast Youth and Family Services** financial statements for the year ended June 30, 2017, from which the summarized information is derived.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ACCOUNTING ESTIMATES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled **$7,231** and $5,698 for the years ended **June 30, 2018** and 2017, respectively.

Compensated Absences

Under the Organization's policies and procedures, employees are granted vacation leave based on the number of years experience they have at the Organization. Employees may accumulate their annual vacation leave benefit throughout the calendar year with a maximum carry over of 80 hours on December 31. Unused accumulated vacation is paid to the employee upon termination.

Employees are able to earn and accumulate sick leave up to a maximum of ninety (90) days. Upon separation, full-time employees with ten or more years of service are entitled to 50 percent of their accumulated sick leave, but in no event will such severance exceed one month's pay.

Debt Issuance Costs

In 2017, the Organization adopted new FASB guidance regarding the presentation on the balance sheet of the costs of issuance of debt and related amortization expense in the income statement. The new guidance requires presenting such unamortized costs as a direct deduction from the face amount of the debt. Amortization is required to be included with interest expense in the Statement of Activities and Changes in Net Assets.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at **June 30, 2018** and 2017:

	2018	2017
Accounts receivable, Mental Health Services	**$ 109,670**	$ 93,808
Allowance for doubtful accounts and contractual adjustments	**(49,380)**	(20,464)
	60,290	73,344
Accounts receivable, NET Services	**91,190**	118,616
Allowance for doubtful accounts and contractual adjustments	**(41,059)**	(25,876)
	50,131	92,740
Total Accounts Receivable, Net of Allowance for Doubtful Accounts and Contractual Adjustments	**$ 110,421**	$ 166,084

NOTE 5 INTANGIBLE ASSETS

At **June 30, 2018** and 2017, intangible assets consist of the following:

	2018			2017		
	Cost	**Accumulated Amortization**	**Net Value**	Cost	Accumulated Amortization	Net Value
Leasing costs	**$ 15,865**	**$ 3,702**	**$ 12,163**	$ 44,615	$ 29,279	$ 15,336

Amortization of intangible assets for the years ended **June 30, 2018** and 2017, was **$3,173** and $4,362, respectively.

The aggregate annual amortization of intangible assets at **June 30, 2018**, is:

Year Ended June 30,	**Amount**
2019	$ 3,173
2020	3,173
2021	3,173
2022	2,644
	$ 12,163

NOTE 6 THIRD PARTY RATE ADJUSTMENTS

Client service revenue, included in program service fees, was derived under federal and state third party reimbursement programs along with other third party insurance companies that pay less than 100 percent of the Organization's fee. The Organization is contractually obligated to write-off the remaining amount. The Organization also provides mental health services on a sliding fee basis for individuals who do not have insurance and can not afford to pay the full cost of therapy.

Approximately twenty percent of Mental Health and Day Treatment Services charges are contractual adjustments as a result of the reimbursement rates paid by insurance companies.

NOTE 7 LINE OF CREDIT

At **June 30, 2018**, the Organization has a revolving credit line available from Peoples Bank for $200,000, maturing September, 2018. The credit line bears interest at a base rate plus 1.50 percent **(6.50% at June 30, 2018)** and is secured by an agreement on the assets of the Organization.

The outstanding balance at **June 30, 2018** and 2017, is **$0** and $0, respectively.

NOTE 8 LONG-TERM DEBT

Long-term debt consists of the following:

	2018	2017
Mortgage payable to Peoples Bank Midwest bearing interest at 2.91% with monthly installments of interest only through October 1, 2017 of $7,083 and then monthly installments of $14,566.03, matures September, 2040. Secured by building.	**$ 2,860,493**	$ 2,920,865
Mortgage payable Peoples Bank Midwest bore interest at 4.53% with monthly installments of $7,300, matured September, 2017.	**-**	21,370
Unamortized debt issuance costs	**(71,746)**	(75,313)
Total	**2,788,747**	2,866,922
Less: Current maturities	**93,000**	82,000
Total Long-Term Debt	**$ 2,695,747**	$ 2,784,922

The aggregate annual maturities of long-term debt at **June 30, 2018**, are as follows:

Year Ended June 30,	Current Maturities	Debt Issuance Costs	Net Maturities
2019	$ 93,000	$ 3,237	$ 89,763
2020	96,000	3,237	92,763
2021	98,000	3,237	94,763
2022	101,000	3,237	97,763
2023	104,000	3,237	100,763
After 2023	2,368,493	55,561	2,312,932
	$ 2,860,493	**$ 71,746**	**$ 2,788,747**

NOTE 9 LEASE OBLIGATIONS

As Lessee

The Organization is obligated under a operating leases for equipment, beginning to expire in March, 2019. Total rent per year will be $9,336.

Rent expense for leases was approximately **$9,336** and $9,336 for the year ended **June 30, 2018** and 2017, respectively.

NOTE 9 LEASE OBLIGATIONS (CONTINUED)

The following is a schedule of future minimum lease payments under operating leases:

Year Ended June 30,	Amount
2019	$ 9,324
2020	6,624
2021	552
Total Minimum Future Lease Payments	**$ 16,500**

As Lessor

The Organization leases office space in the building it occupies to tenants under noncancelable operating leases with terms of three to seven years.

Future minimum rentals, not including operating costs, under these lease agreements are as follows:

Year Ended June 30,	Amount
2019	$ 492,000
2020	163,000
2021	112,000
2022	74,000
Total Minimum Future Lease Payments	**$ 841,000**

NOTE 10 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2018	2017
Foundation and Individuals - Capital Contributions	**$ 615,803**	$ 697,545

Net assets were released by incurring expenses satisfying the restricted purposes specified by donors.

	2018	2017
Foundation and Individuals - Capital Contributions	**$ 81,742**	$ 84,274

NOTE 11 RETIREMENT PLAN

Employees are eligible to participate in the sponsored 401k Trust Plan after 30 days of service with the Organization.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Substantially all support and revenue is received from individual, charitable organizations, foundations, and governmental entities; therefore, the continuation of certain programs for the Organization is dependent upon future funding.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting grants and their terms it has accommodated the objectives of the Organization to the provisions of the grants.

NOTE 13 NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued an accounting standard that will result in significant changes to financial reporting and disclosures for nonprofit organizations. The amendments are intended to make immediate improvements that address complexity of net asset classifications, clarify on information regarding liquidity and availability of cash, transparency in reporting of financial performance measures, consistency in reporting expenses by function and nature, and utility of the statement of cash flows. The provision of this statement are effective for the Organization's financial statements for the year beginning after June 30, 2019.

The FASB has issued an accounting standard that will result in changes to the timing of when a Organization will recognize income. Revenues will be recognized when the promised goods or services are transferred to its customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. This standard also included expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Organization's contracts with customers. The provisions of this statement are effective for the Organization's financial statements for the year ending June 30, 2020.

The FASB has issued an accounting standard that will result in significant changes to financial reporting and disclosures related to both operating and capital leases. The new lease standard is intended to increase transparency and comparability among companies that lease buildings, equipment, and other assets by recognizing the assets and liabilities that arise from these lease transactions on the statement of financial position. The provisions of this statement are effective for the Organization's financial statements for the year ending June 30, 2020.

NOTE 14 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through **November 9, 2018**, the date the financial statements were available to be issued. No subsequent events were noted.

SUPPLEMENTARY INFORMATION TO FOLLOW

NORTHEAST YOUTH AND FAMILY SERVICES

Schedules of Functional Expenses

For the Year Ended **June 30, 2018**
(with comparative totals for 2017)

	2018								2017
	PROGRAM SERVICES				SUPPORTING SERVICES				
	Mental Health	Community Services	Day Treatment Services	Total	Management and General	Fund Raising	Building Rental Expense	Total	Total
Salaries	$ 911,934	$ 244,507	$ 722,784	$ 1,879,225	$ 72,373	$ 160,598	$ 49,494	$ 2,161,690	$ 2,075,584
Employee benefits	35,966	2,643	22,326	60,935	9,071	684	1,215	71,905	76,114
Payroll taxes	61,410	18,012	51,927	131,349	5,307	12,323	3,802	152,781	153,472
Total Salaries and Related Benefits	1,009,310	265,162	797,037	2,071,509	86,751	173,605	54,511	2,386,376	2,305,170
Program supplies and activities	-	52,306	5,512	57,818	1	-	-	57,819	50,655
Professional services	12,504	4,495	10,237	27,236	1,311	1,790	705	31,042	28,446
Office supplies	5,635	2,362	2,904	10,901	861	481	295	12,538	12,728
Other supplies	3,284	2,270	8,665	14,219	(243)	219	2,781	16,976	18,066
Telephone	10,990	4,527	3,331	18,848	1,674	503	498	21,523	19,687
Postage	2,569	1,726	376	4,671	645	1,039	258	6,613	6,659
Occupancy	49,568	18,877	119,131	187,576	4,317	4,216	48,800	244,909	222,993
Equipment rentals	5,000	2,502	2,424	9,926	276	416	139	10,757	11,693
Capital purchases	18,157	1,133	17,268	36,558	2,763	278	860	40,459	39,173
Printing	1,249	448	1,033	2,730	216	192	64	3,202	2,537
Travel	5,163	1,623	10,370	17,156	24	-	280	17,460	14,833
Conferences and meetings	6,512	540	3,762	10,814	276	284	92	11,466	10,476
Interest	6,757	2,534	50,891	60,182	5,257	1,689	20,892	88,020	93,535
Advertising	3,825	1,068	1,518	6,411	387	433	-	7,231	5,698
Bank and finance charges	4,277	-	-	4,277	1	602	-	4,880	3,237
Board expenses	-	-	-	-	-	-	-	-	289
Consulting services	1,665	598	1,579	3,842	214	129	85	4,270	4,075
Dues and memberships	2,052	1,567	1,130	4,749	382	450	65	5,646	7,117
Insurance	14,569	5,717	18,236	38,522	1,395	2,029	4,350	46,296	66,746
Licenses and fees	1,018	-	2,108	3,126	97	-	-	3,223	4,252
Internet expense	183	100	65	348	7	11	4	370	-
Miscellaneous	4,587	38	126	4,751	2,139	(70)	(1,889)	4,931	3,026
Special events	-	-	-	-	-	21,622	-	21,622	25,125
Total Expenses Before Depreciation and Amortization	1,168,874	369,593	1,057,703	2,596,170	108,751	209,918	132,790	3,047,629	2,956,216
Depreciation and Amortization	12,071	4,527	90,533	107,131	6,190	3,018	36,738	153,077	170,169
Total Expenses	$ 1,180,945	$ 374,120	$ 1,148,236	$ 2,703,301	$ 114,941	$ 212,936	$ 169,528	$ 3,200,706	$ 3,126,385
% to total excluding building rental expense	39 %	12 %	37 %	89 %	4 %	7 %	6 %	100 %	
% to total including building rental expense	37 %	12 %	36 %	84 %	4 %	7 %	5 %	100 %	