



Consolidated Financial Report  
June 30, 2017

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## Independent Auditor's Report

RSM US LLP

To the Boards of Directors  
The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.  
Peoria, Illinois

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Children's Home Association of Illinois, Children's Home Foundation and Youth Farm, Inc. (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2017, the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Home Association of Illinois, Children's Home Foundation and Youth Farm, Inc. as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 3, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual organizations 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 consolidating and other supplementary information, except for the information on page 36 marked "unaudited," 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, except for that portion marked "unaudited" on which we express no opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*RSM US LLP*

Peoria, Illinois  
October 2, 2017

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidated Statement of Financial Position  
June 30, 2017, with Comparative Totals for 2016**

	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 7,963,280	\$ 6,568,915
Receivables:		
Accounts, net of allowance for doubtful accounts 2017 \$234,000; 2016 \$514,000	3,851,773	4,420,623
Contributions from remainder trust and other trusts	29,000	29,000
Pledges, net of discount	104,998	125,775
Prepaid insurance and other	578,193	573,920
Investments	16,761,452	14,452,597
Property and equipment, net	4,142,690	4,364,167
Beneficial interest in perpetual trusts	12,071,000	11,546,000
Beneficial interest in charitable remainder trust	197,000	182,000
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 45,699,386</b>	<b>\$ 42,262,997</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,113,902	\$ 2,106,388
Deferred revenue	1,295,165	1,083,499
Capital leases	105,512	169,715
Gift annuity	-	6,418
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>3,514,579</b>	<b>3,366,020</b>
Commitments and Contingencies (Notes 10, 11 and 13)		
Net assets:		
Unrestricted	28,400,869	25,838,389
Temporarily restricted	1,480,276	1,280,976
Permanently restricted	12,303,662	11,777,612
	<hr/>	<hr/>
<b>Total net assets</b>	<b>42,184,807</b>	<b>38,896,977</b>
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 45,699,386</b>	<b>\$ 42,262,997</b>

See notes to consolidated financial statements.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidated Statement of Activities  
Year Ended June 30, 2017, with Comparative Totals for 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2017	2016
Public support and revenue:					
Public support:					
Contributions	\$ 340,049	\$ 90,332	\$ 1,050	\$ 431,431	\$ 465,257
Special events	881,272	165,323	-	1,046,595	998,331
Revenue:					
Service fees	16,367,016	-	-	16,367,016	15,753,777
Grants	2,951,971	-	-	2,951,971	2,850,812
Tuition	4,450,159	-	-	4,450,159	4,832,036
Investment income	2,207,463	-	-	2,207,463	1,035,550
Other	134,283	-	-	134,283	182,346
Change in value of split- interest agreements	3,056	15,000	525,000	543,056	(641,724)
Net assets released from restrictions	71,355	(71,355)	-	-	-
<b>Total public support and revenue</b>	<b>27,406,624</b>	<b>199,300</b>	<b>526,050</b>	<b>28,131,974</b>	<b>25,476,385</b>
Expenses:					
Program services:					
Residential and group home	5,511,411	-	-	5,511,411	5,394,104
Educational and transitional	6,880,973	-	-	6,880,973	6,509,081
Foster care	3,184,816	-	-	3,184,816	3,322,206
Community-based services	6,309,410	-	-	6,309,410	6,043,620
Supporting services:					
Management and general	2,367,261	-	-	2,367,261	2,244,329
Fundraising	590,273	-	-	590,273	355,642
<b>Total expenses</b>	<b>24,844,144</b>	<b>-</b>	<b>-</b>	<b>24,844,144</b>	<b>23,868,982</b>
<b>Change in net assets</b>	<b>2,562,480</b>	<b>199,300</b>	<b>526,050</b>	<b>3,287,830</b>	<b>1,607,403</b>
Net assets:					
Beginning of year	25,838,389	1,280,976	11,777,612	38,896,977	37,289,574
End of year	<u>\$ 28,400,869</u>	<u>\$ 1,480,276</u>	<u>\$ 12,303,662</u>	<u>\$ 42,184,807</u>	<u>\$ 38,896,977</u>

See notes to consolidated financial statements.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidated Statement of Cash Flows  
Year Ended June 30, 2017, with Comparative Totals for 2016**

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 3,287,830	\$ 1,607,403
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	518,783	500,568
Provision for doubtful accounts	206,674	151,077
Net (appreciation) depreciation in fair value of investments	(980,767)	23,945
Net gain on sale of property and equipment	(500)	(8,872)
(Increase) decrease in value of split-interest agreements	(543,056)	641,724
Changes in assets and liabilities:		
Decrease (increase) in:		
Receivables	386,009	(1,452,459)
Prepaid insurance and other	(4,273)	(14,399)
Increase (decrease) in:		
Accounts payable, accrued expenses and gift annuity	1,096	(18,410)
Deferred revenue	211,666	173,915
<b>Net cash provided by operating activities</b>	<b>3,083,462</b>	<b>1,604,492</b>
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	2,257,518	215,641
Proceeds from sale of property and equipment	500	9,452
Purchase of investments	(3,585,606)	(1,039,649)
Purchase of property and equipment	(285,211)	(626,869)
<b>Net cash used in investing activities</b>	<b>(1,612,799)</b>	<b>(1,441,425)</b>
Cash flows from financing activities:		
Principal payments on capital lease obligations	(76,298)	(72,574)
<b>Net cash used in financing activities</b>	<b>(76,298)</b>	<b>(72,574)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,394,365</b>	<b>90,493</b>
Cash and cash equivalents:		
Beginning	6,568,915	6,478,422
Ending	\$ 7,963,280	\$ 6,568,915
Supplemental disclosures of cash flow information:		
Cash payments for interest	\$ 5,369	\$ 7,558
Capital lease obligations incurred for use of equipment	\$ -	\$ (9,300)

See notes to consolidated financial statements.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2017, with Comparative Totals for 2016**

	Program Services				Supporting Services		Total	
	Residential and Group Home	Educational and Transitional	Foster Care	Community- Based Services	Management and General	Fundraising	2017	2016
Salaries	\$ 3,712,926	\$ 4,387,263	\$ 1,411,550	\$ 4,036,617	\$ 1,355,656	\$ 183,294	\$ 15,087,306	\$ 14,635,698
Employee benefits	418,928	568,990	154,589	460,348	153,158	-	1,756,013	1,735,616
Payroll taxes and workers' compensation insurance	350,651	426,639	131,427	382,170	127,372	12,937	1,431,196	1,665,695
Data processing	90,725	111,139	52,358	97,708	19,814	-	371,744	253,451
Contract services and professional fees	29,947	286,271	1,046,818	273,427	202,328	10,204	1,848,995	1,710,182
Activity fees, supplies and postage	104,234	122,403	79,037	105,924	5,324	18,837	435,759	398,069
Food and food service supplies	150,350	248,904	2,995	15,871	-	-	418,120	404,344
Telephone	37,209	45,582	21,474	40,073	8,126	-	152,464	159,909
Occupancy	145,840	174,428	59,190	219,701	19,810	-	618,969	576,503
Repairs, maintenance and equipment rental	106,103	106,423	34,785	55,509	13,431	-	316,251	262,231
Printing, publications and special events	7,486	9,170	4,320	9,485	95,708	361,619	487,788	240,721
Travel and transportation	88,178	54,726	149,016	239,665	32,520	1,445	565,550	572,295
Conferences, conventions and meetings	7,620	38,539	13,286	41,655	14,070	1,512	116,682	116,942
Individual assistance	82,593	175,308	1,822	143,582	-	-	403,305	372,642
Provision for doubtful accounts	25,005	551	1,425	167,238	12,455	-	206,674	151,077
Miscellaneous	387	1,388	2,780	6,106	92,090	425	103,176	105,423
<b>Total expenses before depreciation and interest</b>	<b>5,358,182</b>	<b>6,757,724</b>	<b>3,166,872</b>	<b>6,295,079</b>	<b>2,151,862</b>	<b>590,273</b>	<b>24,319,992</b>	<b>23,360,798</b>
Depreciation	153,229	123,249	17,944	14,331	197,935	-	506,688	488,646
Interest and amortization	-	-	-	-	17,464	-	17,464	19,538
<b>Total expenses</b>	<b>\$ 5,511,411</b>	<b>\$ 6,880,973</b>	<b>\$ 3,184,816</b>	<b>\$ 6,309,410</b>	<b>\$ 2,367,261</b>	<b>\$ 590,273</b>	<b>\$ 24,844,144</b>	<b>\$ 23,868,982</b>

See notes to consolidated financial statements.



**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

**Nature of activities:** The Children's Home Association of Illinois (the Association) is an Illinois not-for-profit corporation organized and existing with its mission being to provide children a childhood and future by protecting them, teaching them and healing them and by building strong communities and loving families. The Children's Home Foundation (the Foundation) is an Illinois not-for-profit corporation organized exclusively to financially support the purposes of the Association and actively raise funds for the exclusive use and benefit of the Association. The Foundation funds may be used to promote and enhance all general purposes of the Association in partnership with business and community. Youth Farm, Inc. is an Illinois not-for-profit corporation and is organized exclusively to financially support the operation, including programs and facilities, of the Youth Farm campus of the Association with its mission being consistent with that of the Association. The Association, the Foundation and Youth Farm, Inc. are referred to collectively as the "Organization."

The Organization's administrative office, residential treatment facilities, a school, a behavioral health services center, a family service center, a group home, four transitional living program homes and 69 acres of farmland including a house, garage, two sheds and a cottage are located in Peoria, Illinois. The Organization utilizes the farmland to take children fishing, camping and for other activities related to programs operated by the Organization.

A summary of the Organization's significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts and transactions of the Association, the Foundation and Youth Farm, Inc. All significant interorganization account balances and transactions have been eliminated in consolidation.

**Contributions:** Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 consolidated statement of activities as net assets released from restrictions; however, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Gifts of land, buildings and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Contributed services:** The Organization recognizes contribution support (and records-related program expense) for certain services received at the fair value of those services. In the opinion of management, such services were not significant for the year ended June 30, 2017. In addition, the Association receives support from numerous other volunteers for its various programs for which no value has been assigned.

**Revenue recognition:** Revenues from service fees and grants are classified as exchange transactions and such amounts are reported as deferred revenue until expended in accordance with the terms of the provider whereby revenue recognition occurs. Tuition revenue is recognized in the month of attendance based on school attendance levels times authorized rates. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Cash and cash equivalents:** For purposes of reporting cash flows, all checking and money market funds are reported as cash equivalents, and investments in debt and equity securities, regardless of maturity, are reported as investments. The Organization maintains its cash, cash equivalents and certain investments in bank deposit accounts, which at times 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.

**Pledges receivable:** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, discounted using risk-free interest rates applicable to the years in which the promises are received. Amortization of such discounts is included in contribution support. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give as of June 30, 2017.

**Investments:** Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses on investments purchased and sold and unrealized holding gains and losses included in the consolidated statement of activities. Other investments are carried at the lower of aggregate cost or market. Realized and unrealized gains/losses on permanently restricted investments are recorded as unrestricted unless specified as restricted by the donor.

**Property and equipment:** Expenditures for the acquisition of property and equipment are capitalized at cost; donated equipment is carried at the estimated fair value as of the date received as a donation. Depreciation is provided over the estimated useful lives of the assets (generally 8 to 20 years for buildings and improvements and 5 to 8 years for vehicles and equipment) on the straight-line method. Depreciation on leasehold improvements is limited to the lease term or life of the asset, whichever is less.

The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets.

**Impairment of long-lived assets:** The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are impaired, the impairment is recognized as the amount by which the carrying amount exceeds the estimated fair value of the asset. Assets to be sold are reported at the lower of the carrying amount or the fair value less costs to sell. No indicators of impairment were identified during the year ended June 30, 2017.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Split-interest agreements:** The Association receives certain support in the form of contributions that are shared with other beneficiaries designated by the donors. These contributions are split-interest agreements and consist of beneficial interest in perpetual and total return trusts, charitable remainder trusts and charitable gift annuities. Assets and revenues are recognized at estimated fair value for the Association's beneficial interest in trusts when it is notified of the trust's existence and for charitable remainder trusts and charitable gift annuities in the period in which the contract is executed.

Changes in the value of split-interest agreements are recognized in the consolidated statement of activities for changes in the discounted cash flows or fair value of the assets held in trust, amortization of the discount associated with certain contributions receivable and revaluations of expected future payments to other beneficiaries, based on changes in life expectancy, and other assumptions.

**Recent accounting standards:** In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Organization will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. This standard was amended by ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*. This amendment deferred the effective date of ASU 2014-09 for all entities by one year. Therefore, this standard will be effective for annual reporting periods beginning after December 15, 2018 (the Organization's year ending June 30, 2020), using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. This standard was amended by ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*. This amendment is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations. This standard was also amended by ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*. The amendment adds further guidance on identifying performance obligations and also aims to improve the operability and understandability of the licensing implementation guidance. The amendment does not change the core principle of the guidance in Topic 606. Lastly, this standard was amended by ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*. The amendments, among other things, (1) clarify the objectives of the collectability criterion for applying paragraph 606-10-25-7; (2) permit an entity to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price; (3) specify that the measurement date for noncash consideration is contract inception; (4) provide a practical expedient that permits an entity to reflect the aggregate effect of all modifications that occur before the beginnings of the earliest period presented when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations; (5) clarify that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy GAAP before the date of initial application; and (6) clarify that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. The Organization has not yet selected a transition method and is currently evaluating the impact of the pending adoption of these ASUs on the financial statements.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether or not the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type lease, direct financing leases and operating leases. The standard is effective for fiscal years beginning after December 31, 2019, and therefore is expected to be adopted by the Organization for the year ending June 30, 2021. Early adoption is permitted. Management is currently evaluating the impact that adoption will have on the Organization's financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, and therefore is expected to be adopted by the Organization for the year ending June 30, 2019. Early application is permitted. The amendments in this update should be applied on a retrospective basis. Management is currently evaluating the impact that adoption will have on the Organization's financial statements.

**Income taxes:** The Association, the Foundation and Youth Farm, Inc. are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income unrelated to their charitable purposes.

Management has evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal tax authorities for years before 2013.

**Functional allocation of expenses:** The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Comparative totals:** The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2016, from which the summarized information was derived.

**The Children’s Home Association of Illinois,  
Children’s Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Use of estimates in the preparation of consolidated financial statements:** The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Note 2. Pledges Receivable and Fundraising Campaign**

Pledges receivable as of June 30, 2017 and 2016, consisted of the following unconditional promises to give:

	2017	2016
Program campaign pledges, temporarily restricted	\$ 113,618	\$ 136,373
Less unamortized discount	8,620	10,598
Discounted program campaign pledges receivable	<u>\$ 104,998</u>	<u>\$ 125,775</u>
Discounted program campaign pledges due in future years as follows:		
Less than one year	\$ 18,800	\$ 19,800
One year to five years	69,300	79,200
Thereafter	16,898	26,775
	<u>\$ 104,998</u>	<u>\$ 125,775</u>

During the year ended June 30, 2012, the Foundation initiated a 10-year gifts campaign entitled “Light the Way Society” designed to provide care and treatment for children with severe emotional and behavioral challenges, provide in-home counseling, teach independent living skills and build healthy relationships between single mothers and their children.

The Foundation used a discount rate of 10 percent as of June 30, 2017 and 2016.

**Note 3. Investments**

The fair value of investments as of June 30, 2017 and 2016, is summarized by concentration as follows:

	2017	2016
Mutual funds	\$ 11,671,874	\$ 9,710,224
Common stocks	5,089,578	4,742,373
	<u>\$ 16,761,452</u>	<u>\$ 14,452,597</u>

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

**Note 3. Investments (Continued)**

Investment income, including gains and losses on investments purchased and sold as well as held during the years ended June 30, 2017 and 2016, is summarized as follows:

	2017	2016
Interest and dividends	\$ 515,206	\$ 355,048
Distributions from perpetual trusts	711,490	704,447
Net appreciation (depreciation) in fair value of investments	980,767	(23,945)
	<u>\$ 2,207,463</u>	<u>\$ 1,035,550</u>

**Note 4. Property and Equipment**

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

	2017	2016
Land	\$ 756,258	\$ 756,258
Buildings	2,807,738	2,807,738
Land and buildings improvements and leasehold improvements	6,070,959	5,972,291
Furniture and equipment, including assets acquired under capital leases 2017 and 2016 \$315,884	2,011,945	2,182,216
Vehicles	406,545	360,661
	<u>12,053,445</u>	<u>12,079,164</u>
Less accumulated depreciation, including amounts applicable to assets acquired under capital leases 2017 \$226,174; 2016 \$160,258	7,910,755	7,714,997
	<u>\$ 4,142,690</u>	<u>\$ 4,364,167</u>

The Association owns or has perpetual use of the facilities located at 2130 N. Knoxville, Peoria, Illinois. The historical cost of the owned land and buildings, acquired prior to 1900, has not been maintained. Under present policy, the depreciable portion of these assets would be fully depreciated prior to 1950. The associated land would be carried at the pre-1900 historical cost presently deemed by the Association to be a nominal value. As a result of the above, the historical cost of the original facilities, whether owned or perpetually used, is not reflected in these financial statements.

**Note 5. Beneficial Interest in Trusts**

The Association is the beneficiary of certain perpetual trusts held by third-party trustees. Under the terms of the trusts, which were obtained in previous years from various donors, the Association has the irrevocable right to receive net investment income earned (excluding realized and unrealized gains/losses) on the trust's assets in perpetuity, but never receives the assets held in trust. Distributions of income earned on the trust's assets are received by the Association on an annual basis and are reported as investment income that increases unrestricted net assets. Such distributions received from these trusts were approximately \$10,900 and \$10,100 for the years ended June 30, 2017 and 2016, respectively.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 5. Beneficial Interest in Trusts (Continued)**

The Association has a beneficial interest in two perpetual trusts that allow for the payment of income up to specified criteria. Total amounts received from these beneficial interests were approximately \$700,600 and \$690,700 for the years ended June 30, 2017 and 2016, respectively.

The beneficial interests in perpetual trusts as of June 30, 2017 and 2016, were determined as follows:

	2017	2016
Beneficial interest times fair value of assets held in trust	\$ 11,802,000	\$ 11,277,000
Discounted cash flow analysis	269,000	269,000
	<u>\$ 12,071,000</u>	<u>\$ 11,546,000</u>

The Organization is the beneficiary of 25 percent of the remainder interest of a unitrust. The trust's assets will be distributed upon the death of the last living beneficiary. At June 30, 2017 and 2016, the estimated fair value of the remainder interest was \$197,000 and \$182,000, respectively.

**Note 6. 401(k) Pension Plan**

The Association has a defined contribution 401(k) pension plan (the Plan) covering all employees who are age 21 or older and meet other eligibility requirements as defined by the Plan. The Association's matching contributions are discretionary in an amount equal to the percentage declared by the Association's Board of Directors for each plan year. The Association's Board of Directors declared a matching contribution to match 100 percent of a participant's pre-tax contributions, up to a maximum of 4 percent of a participant's eligible compensation for the years ended June 30, 2017 and 2016. The Plan also includes a supplemental contribution component whereby the Association may make additional discretionary contributions to the Plan. The Association's contribution expense under the Plan totaled approximately \$215,000 and \$222,000 for the years ended June 30, 2017 and 2016, respectively.

**Note 7. Line of Credit**

The Association has a revolving line-of-credit arrangement with a national bank totaling \$2,500,000 that expires on December 30, 2017, or such later date as may be designated by written notice from the bank. Advances under this agreement bear interest at a variable rate based upon one-month LIBOR plus 1.75 percent (effective interest rate of 2.97 percent at June 30, 2017) are due on December 30, 2017, and are collateralized by investments. Interest is payable monthly. There were no outstanding borrowings under the line of credit as of June 30, 2017 and 2016.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

**Note 8. Temporarily and Permanently Restricted Net Assets and Assets Released from Donor Restrictions**

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

	2017	2016
Time restriction:		
Beneficial interest in charitable remainder trust	\$ 197,000	\$ 182,000
Purpose restriction:		
Leaders of Tomorrow Program	765,521	756,421
Scott's Prairie	127,449	117,519
Youth Farm Campus	288,245	122,922
Other	102,061	102,114
	<u>\$ 1,480,276</u>	<u>\$ 1,280,976</u>

Temporarily restricted net assets were released from donor restrictions during the years ended June 30, 2017 and 2016, by incurring expenses or applicable property and equipment additions satisfying the restricted purposes specified by donors, as follows:

	2017	2016
Purpose restrictions accomplished:		
Scott's Prairie	\$ 30,070	\$ 36,258
Youth Farm Campus	-	416,027
Other	41,285	27,181
	<u>\$ 71,355</u>	<u>\$ 479,466</u>

Permanently restricted net assets as of June 30, 2017 and 2016, consisted of the following:

	2017	2016
Investments, program services	\$ 100,000	\$ 100,000
Investments, scholarship funds	82,662	81,612
Beneficial interest in perpetual trusts	12,071,000	11,546,000
Other	50,000	50,000
	<u>\$ 12,303,662</u>	<u>\$ 11,777,612</u>

The scholarship funds, as noted above, are to provide support for youth who are involved with the juvenile justice system. Investment earnings are available for program service activities. Principal is to be maintained in perpetuity.



**The Children's Home Association of Illinois,  
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**Notes to Consolidated Financial Statements**

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**Note 9. Support from Major Funding Sources**

The Association receives a substantial amount of its service fees and grants revenue from the Illinois Department of Children and Family Services (DCFS) and the Illinois Department of Human Services (DHS). Total revenue recognized from DCFS and DHS totaled approximately \$13,161,000 and \$1,726,000, respectively, for the year ended June 30, 2017, and \$12,742,000 and \$1,129,000, respectively, for the year ended June 30, 2016. Accounts receivable from DCFS and DHS totaled approximately \$744,000 and \$823,000, respectively, as of June 30, 2017, and \$997,000 and \$744,000, respectively, as of June 30, 2016.

**Note 10. Self-Insurance and Membership in a Captive Insurance Company**

The Association self-insures a portion of the risks associated with medical expenses incurred by its employees and their dependents. Under the terms of the self-insurance agreement for the policy year ending March 31, 2018, the Association is responsible for the first \$100,000 of qualifying medical expenses per person on a policy year basis which is limited in total by an aggregate excess loss provision that was approximately \$2,684,000. Under the terms of the self-insurance agreement for the policy year ended March 31, 2017, the Association was responsible for the first \$100,000 of qualifying medical expenses per person on a policy year basis which was limited in total by an aggregate excess loss provision that was approximately \$2,262,000. The insurance contract with a life insurance company provides an unlimited coverage benefit per person and specifies that individual claims in excess of \$100,000 on an annual basis and total claims exceeding the aggregate excess are fully covered by the insurance carrier, subject to the maximum annual reimbursement provision.

Health insurance and medical claims expense totaled approximately \$1,496,000 and \$1,462,000 for the years ended June 30, 2017 and 2016, respectively.

The Association is a member (in which it holds an ownership interest) of a captive insurance company (the Captive) that operates as an insurance company limited by guarantee under an insurance license granted by the Cayman Islands Government. The Captive assumes reinsurance, on an occurrence basis, of workers' compensation, automobile, physical damage, and general liability risks of its members from an unrelated insurance company based in the United States of America. The liability of the Captive is limited to the first \$400,000 per occurrence. As of the Captive's latest annual fiscal year ended December 31, 2016, it had 61 members. The purpose of the Captive is to spread the risk of loss among its members, and ultimately save members on the costs of insurance as compared to the members purchasing coverage individually. The Captive charges its members premiums and pays claims and, after a certain claim maximum is reached, utilizes specific and aggregate excess reinsurance coverage purchased by the Captive on behalf of its members. The Association utilizes the Captive for its workers' compensation insurance needs.

The Association utilizes the cost method to account for its membership interest in the Captive of \$36,000 as of June 30, 2017 and 2016, and its deposit of collateral in the Captive of \$416,665 as of June 30, 2017 and 2016, the deposit of collateral of which is based on a portion of the Association's premium costs over a rolling three-year period. The membership interest and deposit of collateral are reported as a component of prepaid insurance and other assets in the accompanying consolidated statement of financial position.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 10. Self-Insurance and Membership in a Captive Insurance Company (Continued)**

The Association's premium costs incurred for the years ended June 30, 2017 and 2016, were approximately \$466,000 and \$532,000, respectively. The participation agreement with the Captive has a retrospective feature that requires additional premium payments should the Association's claims experience for a specific policy year exceed certain limits. The maximum premium costs that could be incurred for the policy years ended June 30, 2017 and 2016, were approximately \$613,000 and \$639,000, respectively. As of June 30, 2017, based on the Association's claims experience, management estimated that no additional premium liability was necessary to accrue. As of June 30, 2016, management accrued approximately \$53,000 as an estimate for additional premium liability.

**Note 11. Lease Commitments and Total Rental Expense**

Certain office equipment with a depreciated cost net book value of \$89,710 as of June 30, 2017, was acquired under capital leases which contain purchase options under which the Association may purchase the equipment for \$1 each at the end of the respective lease. The equipment and the related liability under the capital leases were recorded at the present value of the future payments due under the leases, as determined using an interest rate equal to the prime rate in effect at the time of purchase (3.25 percent or 3.50 percent). The related liability under the capital leases, with a June 30, 2017, balance of \$105,512, net of unamortized discount of \$17,525, is due in monthly installments of approximately \$6,800, including interest, to February 2021.

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2017:

	<u>Amount</u>
Year Ending June 30,	
2018	\$ 81,669
2019	41,163
2020	2,219
2021	<u>1,480</u>
Total minimum lease payments	126,531
Less amount representing interest and discount	<u>21,019</u>
Present value of net minimum lease payments	<u><u>\$ 105,512</u></u>

The Association leases certain real estate and equipment under various written lease agreements classified as operating leases that generally require monthly or quarterly rental payments over the term of the applicable lease. Some of these operating leases include renewal option provisions that allow for extension of the term of the lease, if elected by the Association.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 11. Lease Commitments and Total Rental Expense (Continued)**

The approximate minimum rental commitment at June 30, 2017, applicable to operating leases, is due as follows:

	<u>Amount</u>
Year Ending June 30,	
2018	\$ 47,000
2019	5,000
	<u>\$ 52,000</u>

Total rental expense for the years ended June 30, 2017 and 2016, was approximately \$203,000 and \$188,000, respectively.

**Note 12. Fair Value Measurements**

The framework applicable to certain FASB-issued authoritative guidance regarding fair value measurements 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 are described below:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 12. Fair Value Measurements (Continued)**

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

*Mutual funds:* Valued at the daily closing price net asset value (NAV) as reported by the applicable fund of shares held by the Organization at year-end.

*Common and preferred stocks:* Valued at the closing price reported on the active market on which the individual securities are traded of shares held by the Organization at year-end.

*U.S. government and other fixed income securities:* Valued at the closing price reported in the active market in which the security is traded.

*Beneficial interest in perpetual trusts:* Valued based on the beneficial interest times the fair value of the underlying assets held in trust by a third-party trustee at year-end or at a discounted cash flow analysis of the estimated future income derived from the Organization's interest in the trust with the discount rate used based on the estimated return market participants would expect on similar assets. For the portion valued based on the beneficial interest times the fair value of the underlying assets held in trust by a third-party trustee, the underlying assets are primarily comprised of mutual funds, common stocks and debt securities which methodologies are described above. For the portion valued using a discounted cash flow analysis, estimated future income derived was based on an average of annual income distributions from the trusts received for the previous 10 years, distributed for 30 years in the future and using an estimated discount rate of 4.75 percent.

*Beneficial interest in charitable remainder trust:* Valued based on the beneficial interest times the fair value of the underlying assets held in trust by a third-party trustee at year-end and discounted using the remaining life expectancy tables of the living beneficiaries and a discount rate of 7 percent.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

**Note 12. Fair Value Measurements (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets reported at fair value as of June 30, 2017 and 2016:

	Level 1	Level 2	Level 3	Total
	2017			
Investments:				
Mutual funds:				
Intermediate term bond	\$ 4,591,850	\$ -	\$ -	\$ 4,591,850
Short term bond	1,565,628	-	-	1,565,628
Small cap value	1,655,090	-	-	1,655,090
Large cap growth	1,867,818	-	-	1,867,818
Large cap blend	209,882	-	-	209,882
Foreign large cap value	938,776	-	-	938,776
Foreign large cap blend	842,830	-	-	842,830
Common stocks:				
Domestic:				
Consumer discretionary	334,622	-	-	334,622
Consumer staples	553,326	-	-	553,326
Energy	263,656	-	-	263,656
Financial	997,396	-	-	997,396
Healthcare	464,699	-	-	464,699
Industrials	524,256	-	-	524,256
Information technology	618,657	-	-	618,657
Materials	120,526	-	-	120,526
Telecommunication services	174,713	-	-	174,713
Utilities	847,747	-	-	847,747
Foreign:				
Energy	189,980	-	-	189,980
Beneficial interest in perpetual trusts:				
Beneficial interest times fair value of assets held in trust <sup>(1)</sup>	-	-	11,802,000	11,802,000
Discounted cash flow analysis	-	-	269,000	269,000
Beneficial interest in charitable remainder trust	-	-	197,000	197,000
Total assets at fair value	<u>\$ 16,761,452</u>	<u>\$ -</u>	<u>\$ 12,268,000</u>	<u>\$ 29,029,452</u>

<sup>(1)</sup> A substantial portion of the Organization's beneficial interest in perpetual trusts is valued based on the Organization's proportionate share (beneficial interest) of the underlying net assets held in trust with a third-party national financial-institution trustee.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

**Note 12. Fair Value Measurements (Continued)**

	Level 1	Level 2	Level 3	Total
	2016			
Investments:				
Mutual funds:				
Intermediate term bond	\$ 4,030,656	\$ -	\$ -	\$ 4,030,656
Short term bond	1,366,669	-	-	1,366,669
Small cap value	1,405,586	-	-	1,405,586
Large cap growth	1,417,523	-	-	1,417,523
Large cap blend	186,976	-	-	186,976
Foreign large cap value	691,662	-	-	691,662
Foreign large cap blend	611,152	-	-	611,152
Common stocks:				
Domestic:				
Consumer discretionary	343,365	-	-	343,365
Consumer staples	590,752	-	-	590,752
Energy	264,736	-	-	264,736
Financial	784,490	-	-	784,490
Healthcare	355,944	-	-	355,944
Industrials	492,360	-	-	492,360
Information technology	492,640	-	-	492,640
Materials	112,440	-	-	112,440
Telecommunication services	208,537	-	-	208,537
Utilities	987,489	-	-	987,489
Foreign:				
Energy	109,620	-	-	109,620
Beneficial interest in perpetual trusts:				
Beneficial interest times fair value of assets held in trust <sup>(1)</sup>	-	-	11,277,000	11,277,000
Discounted cash flow analysis	-	-	269,000	269,000
Beneficial interest in charitable remainder trust	-	-	182,000	182,000
Total assets at fair value	<u>\$ 14,452,597</u>	<u>\$ -</u>	<u>\$ 11,728,000</u>	<u>\$ 26,180,597</u>

(1) A substantial portion of the Organization's beneficial interest in perpetual trusts is valued based on the Organization's proportionate share (beneficial interest) of the underlying net assets held in trust with a third-party national financial-institution trustee.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 12. Fair Value Measurements (Continued)**

The following table presents a summary of the concentration of the Organization's beneficial interest in the fair value of those underlying assets held in trust as of June 30, 2017 and 2016:

	2017	2016
Mutual funds	\$ 8,755,577	\$ 8,182,127
Exchange-traded funds	1,825,454	1,928,782
Common stocks	1,100,262	1,029,562
U.S. government and other fixed-income securities	500	536
Other	120,207	135,993
	<u>\$ 11,802,000</u>	<u>\$ 11,277,000</u>

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2017 and 2016:

	2017	2016
Balance, beginning of year	\$ 11,728,000	\$ 12,359,000
Change in value of beneficial interest in perpetual trusts	525,000	(641,000)
Change in value of beneficial interest in charitable remainder trust	15,000	10,000
Balance, end of year	<u>\$ 12,268,000</u>	<u>\$ 11,728,000</u>

**Note 13. Other Commitments and Contingencies**

The Organization is involved in certain legal proceedings and/or litigation arising in the ordinary course of its activities. In the opinion of management, the outcome of such proceedings and/or litigation is not expected to have a significant effect on the Organization's financial position, results of activities or cash flows.

**Note 14. Subsequent Events**

The Organization has evaluated all subsequent events through October 2, 2017, which is the date the consolidated financial statements were available to be issued.

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidating Statement of Financial Position  
June 30, 2017**

	The Children's Home Association of Illinois	Children's Home Foundation	Youth Farm, Inc.	Eliminations	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 6,633,039	\$ 943,984	\$ 386,257	\$ -	\$ 7,963,280
Receivables:					
Accounts, net of allowance	4,086,978	655,601	105,174	(995,980)	3,851,773
Contributions from remainder trust and other trusts	29,000	-	-	-	29,000
Pledges, net of discount	-	104,998	-	-	104,998
Prepaid insurance and other	578,193	-	-	-	578,193
Investments	194,614	16,566,838	-	-	16,761,452
Property and equipment, net	3,511,422	-	631,268	-	4,142,690
Beneficial interest in perpetual trusts	12,071,000	-	-	-	12,071,000
Beneficial interest in charitable remainder trust	-	-	197,000	-	197,000
Interest in net assets of Children's Home Foundation	17,990,105	-	-	(17,990,105)	-
Interest in net assets of Youth Farm, Inc.	1,279,599	-	-	(1,279,599)	-
<b>Total assets</b>	<b>\$ 46,373,950</b>	<b>\$ 18,271,421</b>	<b>\$ 1,319,699</b>	<b>\$ (20,265,684)</b>	<b>\$ 45,699,386</b>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 2,788,466	\$ 281,316	\$ 40,100	\$ (995,980)	\$ 2,113,902
Deferred revenue	1,295,165	-	-	-	1,295,165
Capital leases	105,512	-	-	-	105,512
<b>Total liabilities</b>	<b>4,189,143</b>	<b>281,316</b>	<b>40,100</b>	<b>(995,980)</b>	<b>3,514,579</b>
Net assets:					
Unrestricted	28,400,869	17,014,475	794,354	(17,808,829)	28,400,869
Temporarily restricted	1,480,276	892,968	485,245	(1,378,213)	1,480,276
Permanently restricted	12,303,662	82,662	-	(82,662)	12,303,662
<b>Total net assets</b>	<b>42,184,807</b>	<b>17,990,105</b>	<b>1,279,599</b>	<b>(19,269,704)</b>	<b>42,184,807</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,373,950</b>	<b>\$ 18,271,421</b>	<b>\$ 1,319,699</b>	<b>\$ (20,265,684)</b>	<b>\$ 45,699,386</b>



**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidating Statement of Activities  
Year Ended June 30, 2017**

	The Children's Home Association of Illinois			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public support and revenue:</b>				
Public support:				
Contributions	\$ -	\$ 41,232	\$ -	\$ 41,232
Special events	179,039	-	-	179,039
Revenue:				
Service fees	16,367,016	-	-	16,367,016
Grants	2,951,971	-	-	2,951,971
Tuition	4,450,159	-	-	4,450,159
Investment income	740,165	-	-	740,165
Other	129,090	-	-	129,090
Change in value of split-interest agreements	3,056	-	525,000	528,056
Net assets released from restrictions	41,285	(41,285)	-	-
<b>Total public support and revenue</b>	<b>24,861,781</b>	<b>(53)</b>	<b>525,000</b>	<b>25,386,728</b>
<b>Expenses:</b>				
Program services:				
Residential and group home	5,541,411	-	-	5,541,411
Educational and transitional	6,880,973	-	-	6,880,973
Foster care	3,184,816	-	-	3,184,816
Community-based services	6,309,410	-	-	6,309,410
Supporting services:				
Management and general	2,139,236	-	-	2,139,236
Fundraising	590,273	-	-	590,273
<b>Total expenses</b>	<b>24,646,119</b>	<b>-</b>	<b>-</b>	<b>24,646,119</b>
<b>Excess (deficiency) of support and revenue over expenses</b>	<b>215,662</b>	<b>(53)</b>	<b>525,000</b>	<b>740,609</b>
<b>Other changes in net assets:</b>				
Interest in excess (deficiency) of support and revenue over expenses of the Foundation and Youth Farm, Inc.	2,346,818	199,353	1,050	2,547,221
Net transfers between the Foundation and Youth Farm, Inc.	-	-	-	-
Net transfers from the Foundation and Youth Farm, Inc. to the Association	-	-	-	-
<b>Change in net assets</b>	<b>2,562,480</b>	<b>199,300</b>	<b>526,050</b>	<b>3,287,830</b>
<b>Net assets:</b>				
Beginning of year	25,838,389	1,280,976	11,777,612	38,896,977
End of year	\$ 28,400,869	\$ 1,480,276	\$ 12,303,662	\$ 42,184,807

Children's Home Foundation				Youth Farm, Inc.				Eliminations	Total
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		
\$ 261,840	\$ 49,100	\$ 1,050	\$ 311,990	\$ 78,209	\$ -	\$ -	\$ 78,209	\$ -	\$ 431,431
608,160	-	-	608,160	94,073	165,323	-	259,396	-	1,046,595
-	-	-	-	-	-	-	-	-	16,367,016
-	-	-	-	-	-	-	-	-	2,951,971
-	-	-	-	-	-	-	-	-	4,450,159
1,467,298	-	-	1,467,298	-	-	-	-	-	2,207,463
-	-	-	-	35,193	-	-	35,193	(30,000)	134,283
-	-	-	-	-	15,000	-	15,000	-	543,056
30,070	(30,070)	-	-	-	-	-	-	-	-
<u>2,367,368</u>	<u>19,030</u>	<u>1,050</u>	<u>2,387,448</u>	<u>207,475</u>	<u>180,323</u>	<u>-</u>	<u>387,798</u>	<u>(30,000)</u>	<u>28,131,974</u>
-	-	-	-	-	-	-	-	(30,000)	5,511,411
-	-	-	-	-	-	-	-	-	6,880,973
-	-	-	-	-	-	-	-	-	3,184,816
-	-	-	-	-	-	-	-	-	6,309,410
39,538	-	-	39,538	188,487	-	-	188,487	-	2,367,261
-	-	-	-	-	-	-	-	-	590,273
<u>39,538</u>	<u>-</u>	<u>-</u>	<u>39,538</u>	<u>188,487</u>	<u>-</u>	<u>-</u>	<u>188,487</u>	<u>(30,000)</u>	<u>24,844,144</u>
2,327,830	19,030	1,050	2,347,910	18,988	180,323	-	199,311	-	3,287,830
-	-	-	-	-	-	-	-	(2,547,221)	-
(30,070)	-	-	(30,070)	30,070	-	-	30,070	-	-
-	-	-	-	-	-	-	-	-	-
<u>2,297,760</u>	<u>19,030</u>	<u>1,050</u>	<u>2,317,840</u>	<u>49,058</u>	<u>180,323</u>	<u>-</u>	<u>229,381</u>	<u>(2,547,221)</u>	<u>3,287,830</u>
14,716,715	873,938	81,612	15,672,265	745,296	304,922	-	1,050,218	(16,722,483)	38,896,977
<u>\$ 17,014,475</u>	<u>\$ 892,968</u>	<u>\$ 82,662</u>	<u>\$ 17,990,105</u>	<u>\$ 794,354</u>	<u>\$ 485,245</u>	<u>\$ -</u>	<u>\$ 1,279,599</u>	<u>\$ (19,269,704)</u>	<u>\$ 42,184,807</u>

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Consolidating Statement of Functional Expenses  
Year Ended June 30, 2017**

	The Children's Home			
	Program Services			
	Residential and Group Home	Educational and Transitional	Foster Care	Community- Based Services
Salaries	\$ 3,712,926	\$ 4,387,263	\$ 1,411,550	\$ 4,036,617
Employee benefits	418,928	568,990	154,589	460,348
Payroll taxes and workers' compensation insurance	350,651	426,639	131,427	382,170
Data processing	90,725	111,139	52,358	97,708
Contract services and professional fees	29,947	286,271	1,046,818	273,427
Activity fees, supplies and postage	134,234	122,403	79,037	105,924
Food and food service supplies	150,350	248,904	2,995	15,871
Telephone	37,209	45,582	21,474	40,073
Occupancy	145,840	174,428	59,190	219,701
Repairs, maintenance and equipment rental	106,103	106,423	34,785	55,509
Printing, publications and special events	7,486	9,170	4,320	9,485
Travel and transportation	88,178	54,726	149,016	239,665
Conferences, conventions and meetings	7,620	38,539	13,286	41,655
Individual assistance	82,593	175,308	1,822	143,582
Provision for doubtful accounts	25,005	551	1,425	167,238
Miscellaneous	387	1,388	2,780	6,106
<b>Total expenses before depreciation and interest</b>	<b>5,388,182</b>	<b>6,757,724</b>	<b>3,166,872</b>	<b>6,295,079</b>
Depreciation	153,229	123,249	17,944	14,331
Interest and amortization	-	-	-	-
<b>Total expenses</b>	<b>\$ 5,541,411</b>	<b>\$ 6,880,973</b>	<b>\$ 3,184,816</b>	<b>\$ 6,309,410</b>

Association of Illinois			Children's Home Foundation	Youth Farm, Inc.		
Supporting Services						
Management and General	Fundraising	Total	Management and General	Management and General	Eliminations	Total
\$ 1,312,104	\$ 183,294	\$ 15,043,754	\$ -	\$ 43,552	\$ -	\$ 15,087,306
153,158	-	1,756,013	-	-	-	1,756,013
124,585	12,937	1,428,409	-	2,787	-	1,431,196
19,814	-	371,744	-	-	-	371,744
173,420	10,204	1,820,087	27,083	1,825	-	1,848,995
5,073	18,837	465,508	-	251	(30,000)	435,759
-	-	418,120	-	-	-	418,120
8,126	-	152,464	-	-	-	152,464
11,850	-	611,009	-	7,960	-	618,969
4,338	-	307,158	-	9,093	-	316,251
1,635	361,619	393,715	-	94,073	-	487,788
30,898	1,445	563,928	-	1,622	-	565,550
14,070	1,512	116,682	-	-	-	116,682
-	-	403,305	-	-	-	403,305
-	-	194,219	12,455	-	-	206,674
92,090	425	103,176	-	-	-	103,176
1,951,161	590,273	24,149,291	39,538	161,163	(30,000)	24,319,992
170,611	-	479,364	-	27,324	-	506,688
17,464	-	17,464	-	-	-	17,464
<u>\$ 2,139,236</u>	<u>\$ 590,273</u>	<u>\$ 24,646,119</u>	<u>\$ 39,538</u>	<u>\$ 188,487</u>	<u>\$ (30,000)</u>	<u>\$ 24,844,144</u>

The Children's Home Association of Illinois

Revenue by Program

Year Ended June 30, 2017, with Comparative Totals for 2016

	Residential and Group Homes				Educational and Transitional				
	Challenger/ Freedom Residential	Atlantis Residential	Enterprise Residential	Group Homes	Transitional Living	Transitional Living DD	Independent Living	Kiefer School	Academy for Autism
	Fees, tuition and grants revenue:								
Service fees:									
Illinois Department of Children and Family Services	\$ 2,243,231	\$ 978,485	\$ 1,092,598	\$ 1,140,426	\$ 671,714	\$ 1,242,944	\$ 473,686	\$ -	\$ -
Illinois Department of Human Services	78,462	23,449	198,923	-	-	-	-	-	-
Illinois Department of Corrections	56,629	212,788	-	-	88,601	93,103	17,157	-	-
School	-	-	-	-	-	-	-	-	-
Illinois State Board of Education	27,055	17,093	14,655	16,958	-	-	-	91,541	7,236
Illinois Department of Healthcare and Family Services	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	3,569,613	880,546
Grants:									
Illinois Department of Children and Family Services	-	-	-	-	-	-	-	-	-
Illinois Department of Human Services	-	-	-	-	-	-	-	2,020	-
Illinois State Board of Education	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenue by program</b>	<b>\$ 2,405,377</b>	<b>\$ 1,231,815</b>	<b>\$ 1,306,176</b>	<b>\$ 1,157,384</b>	<b>\$ 760,315</b>	<b>\$ 1,336,047</b>	<b>\$ 490,843</b>	<b>\$ 3,663,174</b>	<b>\$ 887,782</b>

(Continued)

The Children's Home Association of Illinois

Revenue by Program (Continued)  
 Year Ended June 30, 2017, with Comparative Totals for 2016

	Foster Care			Community-Based Services					
	United Way Parenting	Therapeutic Foster Care	Traditional Foster Care	System of Care	Intact Family Services	Tri-County Adolescent Services	Mental Health Programs	Screening Assessment & Support Services (SASS)	Juvenile Justice
Fees, tuition and grants revenue:									
Service fees:									
Illinois Department of Children and Family Services	\$ -	\$ 2,114,036	\$ 1,569,874	\$ -	\$ 897,188	\$ -	\$ -	\$ -	\$ -
Illinois Department of Human Services	-	-	-	-	-	651,386	137,281	-	-
Illinois Department of Corrections	-	-	-	-	-	-	-	-	-
School	-	-	-	-	-	-	-	-	-
Illinois State Board of Education	-	-	-	-	-	-	-	-	-
Illinois Department of Healthcare and Family Services	-	-	-	-	-	-	-	1,867,075	-
Tuition	-	-	-	-	-	-	-	-	-
Grants:									
Illinois Department of Children and Family Services	-	-	-	344,942	-	-	-	-	-
Illinois Department of Human Services	-	-	-	-	-	-	11,746	-	110,686
Illinois State Board of Education	-	-	-	-	-	-	-	-	-
Other	33,568	2,828	-	-	-	-	550,895	-	-
<b>Total revenue by program</b>	<b>\$ 33,568</b>	<b>\$ 2,116,864</b>	<b>\$ 1,569,874</b>	<b>\$ 344,942</b>	<b>\$ 897,188</b>	<b>\$ 651,386</b>	<b>\$ 699,922</b>	<b>\$ 1,867,075</b>	<b>\$ 110,686</b>

(Continued)

The Children's Home Association of Illinois

Revenue by Program (Continued)  
Year Ended June 30, 2017, with Comparative Totals for 2016

	Community-Based Services (Continued)						
	Family- Based Intervention	Parenting & Prevention Services	Homeless Youth	Youth Services	Redeploy Illinois	Leaders of Tomorrow	Other Community Development Programs
Fees, tuition and grants revenue:							
Service fees:							
Illinois Department of Children and Family Services	\$ 187,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Illinois Department of Human Services	-	-	-	-	-	-	52,204
Illinois Department of Corrections	-	-	-	-	-	-	-
School	-	-	-	-	-	-	-
Illinois State Board of Education	-	-	-	-	-	-	-
Illinois Department of Healthcare and Family Services	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-
Grants:							
Illinois Department of Children and Family Services	-	-	-	-	-	-	-
Illinois Department of Human Services	-	43,537	252,278	191,637	-	-	72,745
Illinois State Board of Education	-	295,636	-	-	-	-	-
Other	-	601,273	57,886	-	254,644	58,000	67,260
<b>Total revenue by program</b>	<b>\$ 187,609</b>	<b>\$ 940,446</b>	<b>\$ 310,164</b>	<b>\$ 191,637</b>	<b>\$ 254,644</b>	<b>\$ 58,000</b>	<b>\$ 192,209</b>

(Continued)

The Children's Home Association of Illinois

Revenue by Program (Continued)

Year Ended June 30, 2017, with Comparative Totals for 2016

	Community-Based Services (Continued)		Total	
	Americorps	Norman Cash Assistance	2017	2016
Fees, tuition and grants revenue:				
Service fees:				
Illinois Department of Children and Family Services	\$ -	\$ 103,629	\$ 12,715,420	\$ 12,394,856
Illinois Department of Human Services	-	-	1,141,705	494,257
Illinois Department of Corrections	-	-	468,278	845,592
School	-	-	-	88,895
Illinois State Board of Education	-	-	174,538	158,564
Illinois Department of Healthcare and Family Services	-	-	1,867,075	1,771,613
Tuition	-	-	4,450,159	4,832,036
Grants:				
Illinois Department of Children and Family Services	-	-	344,942	347,373
Illinois Department of Human Services	-	-	684,649	634,932
Illinois State Board of Education	-	-	295,636	287,938
Other	390	-	1,626,744	1,580,569
<b>Total revenue by program</b>	<b>\$ 390</b>	<b>\$ 103,629</b>	<b>\$ 23,769,146</b>	<b>\$ 23,436,625</b>



The Children's Home Association of Illinois

Expenses by Program after Management and General Allocation to Programs  
Year Ended June 30, 2017, with Comparative Totals for 2016

	Residential and Group Home				
	Challenger/ Freedom Residential	Atlantis Residential	Enterprise Residential	Group Homes	Total
	Salaries	\$ 1,677,524	\$ 793,942	\$ 857,185	\$ 722,528
Employee benefits	181,982	94,446	94,446	87,536	458,410
Payroll taxes and workers' compensation insurance	158,245	75,294	79,833	69,397	382,769
Data processing	39,441	19,169	20,033	17,190	95,833
Contract services and professional fees	30,374	14,939	15,340	14,001	74,654
Activity fees, supplies and postage	49,734	39,250	23,723	22,833	135,540
Food and food service supplies	67,250	33,593	33,745	15,761	150,349
Telephone	16,176	7,862	8,216	7,050	39,304
Occupancy	60,220	29,780	30,297	28,597	148,894
Repairs, maintenance and equipment rental	43,131	21,445	21,634	21,012	107,222
Printing, publications and special events	3,254	1,582	1,653	1,418	7,907
Travel and transportation	36,423	21,168	17,819	20,733	96,143
Conference, conventions and meetings	4,595	2,272	2,346	2,035	11,248
Individual assistance	36,160	14,333	16,944	15,156	82,593
Provision for doubtful accounts	9,044	1,597	3,432	10,932	25,005
Miscellaneous	9,920	4,831	4,983	4,393	24,127
<b>Total expenses before depreciation and interest</b>	<b>2,423,473</b>	<b>1,175,503</b>	<b>1,231,629</b>	<b>1,060,572</b>	<b>5,891,177</b>
Depreciation	81,134	38,863	39,259	37,955	197,211
Interest and amortization	1,853	901	941	808	4,503
<b>Total expenses</b>	<b>\$ 2,506,460</b>	<b>\$ 1,215,267</b>	<b>\$ 1,271,829</b>	<b>\$ 1,099,335</b>	<b>\$ 6,092,891</b>

(Continued)

The Children's Home Association of Illinois

Expenses by Program after Management and General Allocation to Programs (Continued)  
Year Ended June 30, 2017, with Comparative Totals for 2016

	Educational and Transitional						Foster Care			
	Transitional	Transitional	Independent	Kiefer	Academy	Total	United Way	Therapeutic	Traditional	Total
	Living	Living DD	Living	School	for Autism		Parenting	Foster Care	Foster Care	
Salaries	\$ 504,533	\$ 893,700	\$ 197,486	\$ 2,603,887	\$ 602,017	\$ 4,801,623	\$ 32,800	\$ 930,058	\$ 643,899	\$ 1,606,757
Employee benefits	69,107	119,786	29,946	315,589	82,929	617,357	4,607	101,357	71,411	177,375
Payroll taxes and workers' compensation insurance	51,349	86,259	20,021	249,041	59,313	465,983	3,409	86,162	60,391	149,962
Data processing	12,771	21,140	7,760	60,424	15,300	117,395	728	31,297	23,281	55,306
Contract services and professional fees	17,439	17,865	6,494	176,651	122,588	341,037	340	587,488	484,791	1,072,619
Activity fees, supplies and postage	14,198	17,781	4,386	72,937	14,702	124,004	276	44,481	35,035	79,792
Food and food service supplies	30,511	43,085	38,917	117,216	19,175	248,904	208	1,437	1,350	2,995
Telephone	5,238	8,670	3,183	24,782	6,275	48,148	299	12,836	9,548	22,683
Occupancy	24,073	35,885	7,676	95,317	15,220	178,171	1,159	34,647	25,147	60,953
Repairs, maintenance and equipment rental	16,528	19,321	4,795	59,117	8,032	107,793	765	20,179	14,486	35,430
Printing, publications and special events	1,054	1,744	640	4,986	1,262	9,686	60	2,582	1,921	4,563
Travel and transportation	15,129	18,314	20,673	8,606	1,761	64,483	461	82,725	70,427	153,613
Conference, conventions and meetings	2,545	4,760	1,437	16,483	17,757	42,982	66	8,531	6,783	15,380
Individual assistance	16,142	19,850	139,218	98	-	175,308	-	655	1,167	1,822
Provision for doubtful accounts	551	-	-	-	-	551	-	1,414	11	1,425
Miscellaneous	3,350	5,714	1,780	15,609	4,016	30,469	205	8,814	7,457	16,476
<b>Total expenses before depreciation and interest</b>	<b>784,518</b>	<b>1,313,874</b>	<b>484,412</b>	<b>3,820,743</b>	<b>970,347</b>	<b>7,373,894</b>	<b>45,383</b>	<b>1,954,663</b>	<b>1,457,105</b>	<b>3,457,151</b>
Depreciation	24,044	23,643	6,566	108,683	14,192	177,128	665	26,844	15,817	43,326
Interest and amortization	600	993	365	2,839	719	5,516	34	1,470	1,094	2,598
<b>Total expenses</b>	<b>\$ 809,162</b>	<b>\$ 1,338,510</b>	<b>\$ 491,343</b>	<b>\$ 3,932,265</b>	<b>\$ 985,258</b>	<b>\$ 7,556,538</b>	<b>\$ 46,082</b>	<b>\$ 1,982,977</b>	<b>\$ 1,474,016</b>	<b>\$ 3,503,075</b>

(Continued)

The Children's Home Association of Illinois

Expenses by Program after Management and General Allocation to Programs (Continued)  
 Year Ended June 30, 2017, with Comparative Totals for 2016

	Community-Based Services							
	System of Care	Intact Family Services	Tri-County Adolescent Services	Mental Health Programs	SASS	Juvenile Justice	Family Based Intervention	Parenting & Prevention Services
Salaries	\$ 241,606	\$ 549,400	\$ 461,093	\$ 528,866	\$ 1,095,049	\$ 82,288	\$ 165,686	\$ 630,525
Employee benefits	29,946	59,893	55,286	47,223	129,000	9,214	16,125	83,620
Payroll taxes and workers' compensation insurance	23,867	51,529	44,129	46,445	105,146	6,709	15,698	62,082
Data processing	5,470	13,024	11,834	10,888	26,232	1,802	3,728	15,191
Contract services and professional fees	2,553	34,453	73,143	5,078	106,157	841	1,739	9,600
Activity fees, supplies and postage	6,785	5,482	4,611	6,485	8,959	497	1,148	52,093
Food and food service supplies	1,617	244	-	-	600	-	-	7,255
Telephone	2,243	5,341	4,854	4,465	10,759	739	1,529	6,230
Occupancy	7,978	17,202	40,032	9,944	92,582	6,570	11,842	17,165
Repairs, maintenance and equipment rental	5,135	10,727	3,596	2,488	8,089	562	1,109	12,779
Printing, publications and special events	451	1,075	976	2,321	2,164	149	308	1,253
Travel and transportation	11,436	46,102	35,898	15,526	46,715	2,887	13,670	43,491
Conference, conventions and meetings	865	12,764	4,240	5,573	7,930	350	506	8,542
Individual assistance	-	3,254	-	-	-	-	-	-
Provision for doubtful accounts	1,652	-	19,307	111,118	33,541	-	218	-
Miscellaneous	1,442	3,192	2,919	2,608	6,606	461	892	4,015
<b>Total expenses before depreciation and interest</b>	<b>343,046</b>	<b>813,682</b>	<b>761,918</b>	<b>799,028</b>	<b>1,679,529</b>	<b>113,069</b>	<b>234,198</b>	<b>953,841</b>
Depreciation	4,663	10,282	6,114	5,068	13,632	941	1,910	7,303
Interest and amortization	257	612	556	511	1,232	85	175	714
<b>Total expenses</b>	<b>\$ 347,966</b>	<b>\$ 824,576</b>	<b>\$ 768,588</b>	<b>\$ 804,607</b>	<b>\$ 1,694,393</b>	<b>\$ 114,095</b>	<b>\$ 236,283</b>	<b>\$ 961,858</b>

(Continued)

The Children's Home Association of Illinois

Expenses by Program after Management and General Allocation to Programs (Continued)  
 Year Ended June 30, 2017, with Comparative Totals for 2016

Community-Based Services (Continued)

	Homeless Youth	Youth Services	Redeploy Illinois	Leaders of Tomorrow	Other Community Development Programs	Americorps
Salaries	\$ 184,908	\$ 154,560	\$ 192,630	\$ 32,467	\$ 79,592	\$ 2,231
Employee benefits	17,277	25,339	16,125	4,607	8,064	1,152
Payroll taxes and workers' compensation insurance	16,602	16,423	17,053	3,291	7,320	464
Data processing	4,945	3,683	3,524	1,089	1,721	79
Contract services and professional fees	27,666	3,220	1,644	508	54,544	427
Activity fees, supplies and postage	3,122	4,606	2,689	4,780	6,038	40
Food and food service supplies	975	1,558	888	2,633	102	-
Telephone	2,028	1,511	1,445	446	707	32
Occupancy	5,673	6,185	4,642	1,375	1,573	228
Repairs, maintenance and equipment rental	3,354	4,138	2,892	844	831	169
Printing, publications and special events	408	304	291	90	143	7
Travel and transportation	11,537	5,395	7,933	1,313	6,327	14
Conference, conventions and meetings	1,485	1,516	528	97	1,156	8
Individual assistance	28,296	-	-	14,243	-	-
Provision for doubtful accounts	-	-	-	-	-	-
Miscellaneous	1,096	1,081	862	258	6,211	36
<b>Total expenses before depreciation and interest</b>	<b>309,372</b>	<b>229,519</b>	<b>253,146</b>	<b>68,041</b>	<b>174,329</b>	<b>4,887</b>
Depreciation	3,511	3,512	2,776	831	1,037	119
Interest and amortization	232	173	166	51	79	4
<b>Total expenses</b>	<b>\$ 313,115</b>	<b>\$ 233,204</b>	<b>\$ 256,088</b>	<b>\$ 68,923</b>	<b>\$ 175,445</b>	<b>\$ 5,010</b>

(Continued)

The Children's Home Association of Illinois

Expenses by Program after Management and General Allocation to Programs (Continued)  
Year Ended June 30, 2017, with Comparative Totals for 2016

	Community-Based Services (Continued)		Supporting Services	Totals	
	Norman Cash Assistance	Total	Fundraising	2017	2016
Salaries	\$ -	\$ 4,400,901	\$ 183,294	\$ 15,043,754	\$ 14,593,642
Employee benefits	-	502,871	-	1,756,013	1,735,614
Payroll taxes and workers' compensation insurance	-	416,758	12,937	1,428,409	1,663,008
Data processing	-	103,210	-	371,744	253,453
Contract services and professional fees	-	321,573	10,204	1,820,087	1,687,957
Activity fees, supplies and postage	-	107,335	18,837	465,508	427,670
Food and food service supplies	-	15,872	-	418,120	404,345
Telephone	-	42,329	-	152,464	159,908
Occupancy	-	222,991	-	611,009	569,367
Repairs, maintenance and equipment rental	-	56,713	-	307,158	249,955
Printing, publications and special events	-	9,940	361,619	393,715	153,388
Travel and transportation	-	248,244	1,445	563,928	570,316
Conference, conventions and meetings	-	45,560	1,512	116,682	116,943
Individual assistance	97,789	143,582	-	403,305	372,642
Provision for doubtful accounts	1,402	167,238	-	194,219	151,077
Miscellaneous	-	31,679	425	103,176	105,421
<b>Total expenses before depreciation and interest</b>	99,191	6,836,796	590,273	24,149,291	23,214,706
Depreciation	-	61,699	-	479,364	460,016
Interest and amortization	-	4,847	-	17,464	19,536
<b>Total expenses</b>	<b>\$ 99,191</b>	<b>\$ 6,903,342</b>	<b>\$ 590,273</b>	<b>\$ 24,646,119</b>	<b>\$ 23,694,258</b>

**The Children's Home Association of Illinois,  
Children's Home Foundation and Youth Farm, Inc.**

**Substitute Care Units of Service (Unaudited)  
Year Ended June 30, 2017**

	Residential	Group Homes	Supervised Transitional & Independent Living <sup>(1)</sup>	Traditional, Specialized & Therapeutic Foster Care <sup>(1)</sup>	Total
Units of service licensed by the Department of Children and Family Services	16,425	3,650	N/A	N/A	N/A
Units of service provided:					
Department of Children and Family Services	12,093	3,543	13,880	50,835	80,351
Other	1,385	-	1,016	-	2,401
	13,478	3,543	14,896	50,835	82,752

(1) Units of service licensed are not limited.