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CLIENT'S COPY

Dopkins & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

HILLSIDE FAMILY OF AGENCIES
1183 MONROE AVENEUE
ROCHESTER, NY 14620

HILLSIDE FAMILY OF AGENCIES:

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF THE 2017 EXEMPT ORGANIZATION RETURNS AND 2018 ESTIMATED TAX WORKSHEET, AS FOLLOWS...

2017 FORM 990

2017 FORM 990-T

2018 FEDERAL ESTIMATED TAX WORKSHEET - FORM 990-T

2017 NEW YORK FORM CHAR500

EACH ORIGINAL SHOULD BE DATED, SIGNED AND FILED IN ACCORDANCE WITH THE FILING INSTRUCTIONS. THE COPY SHOULD BE RETAINED FOR YOUR FILES.

VERY TRULY YOURS,



DOPKINS & COMPANY, LLP

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

JUNE 30, 2018

Prepared for	HILLSIDE FAMILY OF AGENCIES 1183 MONROE AVENEUE ROCHESTER, NY 14620
Prepared by	DOPKINS & COMPANY, LLP 200 INTERNATIONAL DR BUFFALO, NY 14221-5794
Amount due or refund	NOT APPLICABLE
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NOT APPLICABLE
Return must be mailed on or before	NOT APPLICABLE
Special Instructions	THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE SIGN, DATE, AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS. RETURN FORM 8879-EO TO US BY MAY 15, 2019.

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2017, or fiscal year beginning JUL 1, 2017, and ending JUN 30, 2018

2017

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

Employer identification number

HILLSIDE FAMILY OF AGENCIES

16-1493407

Name and title of officer

MARIA CRISTALLI
CHIEF EXECUTIVE OFFICER

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>38,680,185.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize DOPKINS & COMPANY, LLP to enter my PIN 12345
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ TAXPAYER'S COPY Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

16617556540
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ NICHOLAS FIUME Date ▶ 05/01/19

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2017)

723051 10-11-17

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HILLSIDE FAMILY OF AGENCIES Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1183 MONROE AVENUE City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, NY 14620 F Name and address of principal officer: MARIA CRISTALLI 1183 MONROE AVENUE, ROCHESTER, NY 14620	D Employer identification number 16-1493407 E Telephone number (585) 256-7500 G Gross receipts \$ 38,680,185. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.HILLSIDE.COM		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 1996		M State of legal domicile: NY

Part I Summary

1	Briefly describe the organization's mission or most significant activities: TO PROVIDE SUPPORT FOR TAX EXEMPT AFFILIATES		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19
5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	165
6	Total number of volunteers (estimate if necessary)	6	19
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	18,619.
8	Contributions and grants (Part VIII, line 1h)	8	450,403.
9	Program service revenue (Part VIII, line 2g)	9	36,568,216.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10	271,053.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11	7,387.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12	37,297,059.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	14	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	15	29,108,298.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	16a	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶	b	0.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	17	8,348,896.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	18	37,457,194.
19	Revenue less expenses. Subtract line 18 from line 12	19	-160,135.
20	Total assets (Part X, line 16)	20	60,277,463.
21	Total liabilities (Part X, line 26)	21	41,844,440.
22	Net assets or fund balances. Subtract line 21 from line 20	22	18,433,023.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	TAXPAYER'S COPY Signature of officer MARIA CRISTALLI, CHIEF EXECUTIVE OFFICER Type or print name and title	Date			
Paid Preparer Use Only	Print/Type preparer's name NICHOLAS FIUME	Preparer's signature NICHOLAS FIUME	Date 05/01/19	Check if self-employed <input type="checkbox"/>	PTIN P10501475
	Firm's name ▶ DOPKINS & COMPANY, LLP Firm's address ▶ 200 INTERNATIONAL DR BUFFALO, NY 14221-5794	Firm's EIN ▶ 16-0929175 Phone no. 716-634-8800			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:
HILLSIDE FAMILY OF AGENCIES (THE ORGANIZATION) WAS FORMED TO BENEFIT AND SUPPORT THE ACTIVITIES OF THE FOLLOWING TAX-EXEMPT ORGANIZATIONS: HILLSIDE CHILDREN'S CENTER, HILLSIDE CHILDREN'S FOUNDATION, HILLSIDE WORK-SCHOLARSHIP CONNECTION, SNELL FARM CHILDREN'S CENTER, AND

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ including grants of \$) (Revenue \$ 38,435,310.)
PROVIDE SUPPORT FOR TAX EXEMPT AFFILIATES

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O check

Main table with columns for line numbers (1a-14b), descriptions, and Yes/No checkboxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	20	
1b	Enter the number of voting members included in line 1a, above, who are independent	19	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **MARIA CRISTALLI, PRESIDENT & CHIEF EXECUTIVE OFFICER - 585-256-7500**
1183 MONROE AVENUE, ROCHESTER, NY 14620

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MONICA MONTE GOVERNOR	0.50 0.50	X						0.	0.	0.
(2) WILLIAM GOODRICH GOVERNOR	0.50	X						0.	0.	0.
(3) KEVIN N. HILL GOVERNOR	0.50	X						0.	0.	0.
(4) BARBARA MCMANUS GOVERNOR	0.50	X						0.	0.	0.
(5) EFRAIN RIVERA GOVERNOR	0.50	X						0.	0.	0.
(6) JAMES MERKLEY GOVERNOR	0.50 0.50	X						0.	0.	0.
(7) DUNCAN T. MOORE, PH. D. GOVERNOR	0.50	X						0.	0.	0.
(8) RICHARD NOTARGIACOMO, MBA GOVERNOR	0.50	X						0.	0.	0.
(9) KAREN BEARSCH GOVERNOR	0.50 0.50	X						0.	0.	0.
(10) JAMES HAEFNER GOVERNOR	0.50 0.50	X						0.	0.	0.
(11) VIVIAN LEWIS, M.D. GOVERNOR	0.50	X						0.	0.	0.
(12) EDWARD WHITE THIRD VICE CHAIR	0.50	X						0.	0.	0.
(13) HOLLY CRAWFORD GOVERNOR	0.50	X						0.	0.	0.
(14) JILL KNITTEL GOVERNOR	0.50	X						0.	0.	0.
(15) ROGER B. FRIEDLANDER SECOND VICE CHAIR	1.00			X				0.	0.	0.
(16) DENNIS M. RICHARDSON FORMER CEO	20.00 20.00			X				442,743.	0.	15,561.
(17) DEBORAH DAUM SECRETARY	0.50 1.50			X				0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) ROBERT STILES CHAIR	8.00			X				0.	0.	0.
(19) RICHARD J. GANGEMI FIRST VICE CHAIR	1.00			X				0.	0.	0.
(20) PAUL PERROTTO FORMER CFO	18.00 22.00			X				306,284.	0.	26,872.
(21) MARIA CRISTALLI CHIEF EXECUTIVE OFFICER	20.00 20.00			X				237,271.	0.	19,498.
(22) LEONARD J. SHUTE TREASURER	1.50			X				0.	0.	0.
(23) HELEN HALEWSKI FORMER CHIEF HR & ORG. DEVELOPMEN	12.00 28.00					X		276,527.	0.	6,869.
(24) MICHAEL SNYDER SENIOR COUNSEL	40.00					X		170,350.	0.	20,662.
(25) MANUELLA PAHARIA CHIEF PRACTICE & PERFORMANCE OFFICER	40.00					X		243,734.	0.	8,593.
(26) AUGUSTIN MELENDEZ CHIEF HR & ORG. DEVELOPMENT	8.00 32.00					X		37,665.	174,704.	18,239.
1b Sub-total								1,714,574.	174,704.	116,294.
c Total from continuation sheets to Part VII, Section A								188,190.	0.	22,172.
d Total (add lines 1b and 1c)								1,902,764.	174,704.	138,466.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **17**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
SYNERGY GLOBAL SOLUTIONS 7871 LEHIGH CROSSING, VICTOR, NY 14564	IT CONSULTANT	726,509.
NETSMART 3495 WINTON PL, ROCHESTER, NY 14623	IT CONSULTANT	481,943.
DRIVESTREAM, INC. PO BOX 650513, POTOMAC FALLS, VA 20165-9998	IT CONSULTANT	265,195.
ORACLE AMERICA INC., 500 ORACLE PARKWAY, REDWOOD SHORES, CA 94065	IT CONSULTANT	263,800.
DOPKINS & COMPANY LLP, 200 INTERNATIONAL DRIVE, BUFFALO, NY 14221-5794	ACCOUNTANTS	247,222.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **5**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (Individual trustee or director, Institutional trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization (W-2/1099-MISC), (E) Reportable compensation from related organizations (W-2/1099-MISC), (F) Estimated amount of other compensation from the organization and related organizations. Row 1: (27) A. THOMAS HILDEBRANDT, SPECIAL ASSISTANT TO CEO, 40.00 hours, Key employee, 188,190.00 compensation, 22,172.00 other compensation.

Total to Part VII, Section A, line 1c 188,190. 22,172.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	241,631.			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		241,631.			
	Program Service Revenue	2 a USER FEES	Business Code 624100	20,002,606.	20,002,606.	
b MANAGEMENT FEES		624100	18,248,262.	18,248,262.		
c						
d						
e						
f All other program service revenue						
g Total. Add lines 2a-2f			38,250,868.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		3,240.			3,240.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less: direct expenses	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a						
	b					
	c					
	d All other revenue	624100	184,446.	184,446.		
	e Total. Add lines 11a-11d		184,446.			
12 Total revenue. See instructions.		38,680,185.	38,435,314.	0.	3,240.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,177,630.		1,177,630.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	8,885,809.		8,885,809.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,111,423.		2,111,423.	
9 Other employee benefits	9,441,922.		9,441,922.	
10 Payroll taxes	9,009,390.		9,009,390.	
11 Fees for services (non-employees):				
a Management				
b Legal	335,002.		335,002.	
c Accounting	249,431.		249,431.	
d Lobbying	80,348.		80,348.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	2,282,678.		2,282,678.	
12 Advertising and promotion	328,174.		328,174.	
13 Office expenses	1,038,403.		1,038,403.	
14 Information technology				
15 Royalties				
16 Occupancy	621,375.		621,375.	
17 Travel	88,243.		88,243.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	38,275.		38,275.	
20 Interest	1,481,071.		1,481,071.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	370,218.		370,218.	
23 Insurance	1,311,439.		1,311,439.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a STAFF DEVELOPMENT - REC	621,584.		621,584.	
b DUES, LICENSES & PERMIT	206,756.		206,756.	
c FOOD SERVICES	49,129.		49,129.	
d RECREATION, WORK ACTIVI	25,526.		25,526.	
e All other expenses	1,144.		1,144.	
25 Total functional expenses. Add lines 1 through 24e	39,754,970.	0.	39,754,970.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	3,498,389.	1	455,783.
	2 Savings and temporary cash investments	993,564.	2	1,096,806.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	290,270.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,857,692.	9	1,606,893.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 4,814,295.		
	b Less: accumulated depreciation	10b 3,996,320.	996,893.	10c 817,975.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	2,024,026.	12	1,950,308.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets	356,594.	14	310,008.
	15 Other assets. See Part IV, line 11	50,550,305.	15	52,211,867.
16 Total assets. Add lines 1 through 15 (must equal line 34)	60,277,463.	16	58,739,910.	
Liabilities	17 Accounts payable and accrued expenses	16,127,023.	17	13,613,395.
	18 Grants payable		18	
	19 Deferred revenue	199.	19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	25,717,218.	23	28,070,160.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	41,844,440.	26	41,683,555.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	2,333,450.	27	1,723,025.
	28 Temporarily restricted net assets	14,858,284.	28	13,828,691.
	29 Permanently restricted net assets	1,241,289.	29	1,504,639.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	18,433,023.	33	17,056,355.
	34 Total liabilities and net assets/fund balances	60,277,463.	34	58,739,910.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	38,680,185.
2	Total expenses (must equal Part IX, column (A), line 25)	2	39,754,970.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,074,785.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,433,023.
5	Net unrealized gains (losses) on investments	5	-73,717.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	183,558.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-411,724.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	17,056,355.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2017)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization **HILLSIDE FAMILY OF AGENCIES** Employer identification number **16-1493407**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations 5
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
HILLSIDE CHILDREN'S CENTER	16-0743039	7		X	0.	0.
HILLSIDE CHILDREN'S FOUNDATION	16-1493404	10		X	0.	0.
HILLSIDE WORK SCHOLARSHIP CONNECT	16-1453581	7		X	0.	0.
SNELL FARM CHILDREN'S CENTER	16-1199261	7		X	0.	0.
STILLWATER CHILDREN'S CENTER	16-1415435	7		X	0.	0.
Total					0.	0.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	X	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		X
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		X
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		X
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		X
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		X
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		X
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		X
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		X
b A family member of a person described in (a) above?		X
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		X

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	X	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).	X	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		X

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input checked="" type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input checked="" type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	X	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.	X	
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.	X	
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.	X	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

Schedule A (Form 990 or 990-EZ) 2017

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART IV, SECTION E, LINE 2A:

THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT REVIEWS AND MONITORS THE MISSIONS, OBJECTIVES, ACTIVITIES, AND RESOURCES OF ITS AFFILIATES (HILLSIDE CHILDREN'S CENTER, HILLSIDE CHILDREN'S FOUNDATION, SNELL FARM CHILDREN'S CENTER, HILLSIDE WORK-SCHOLARSHIP CONNECTION AND STILLWATER CHILDREN'S CENTER.) FOR THE PURPOSE OF PROMOTING EFFICIENT, EFFECTIVE, AND ECONOMICAL SOCIAL, EDUCATIONAL, AND MENTAL HEALTH SERVICES TO CHILDREN, YOUTH, AND FAMILIES IN ITS SERVICE AREA.

PART IV, SECTION E, LINE 2B:

THE CORPORATION IS A FINANCIALLY INTERRELATED ENTITY AND THE SOLE CORPORATE MEMBER OF ALL OF ITS AFFILIATES, AND PROVIDES CERTAIN OPERATING AND ADMINISTRATIVE SERVICES TO THE AFFILIATES. IF IT WASNT FOR THE CORPORATION'S INVOLVEMENT, THE INDIVIDUAL SUPPORTED AFFILIATED ENTITY WOULD BE INVOLVED IN PROVIDING THE SERVICES/OVERSITE PROVIDED BY THE CORPORATION.

PART IV, SECTION E, LINE 3A:

THE SOLE MEMBER OF EACH SUPPORTED AFFILIATED ENTITY IS THE CORPORATION (REFERRED TO AS PARENT OR THE "MEMBER" WITHIN THE CERTIFICATE OF INCORPORATION OR BYLAWS OF EACH SUPPORTED AFFILIATED ENTITY). ONE OF THE SUPPORTED AFFILIATED ENTITY'S DIRECTORS SHALL SERVE EX OFFICIO AND THE REMAINDER SHALL BE ELECTED BY THE MEMBER.

PART IV, SECTION E, LINE 3B:

THE MEMBER SHALL HAVE AND EXERCISE ALL THE RIGHTS AND POWERS OF CORPORATE MEMBERSHIP CREATED BY THE LAWS OF THE STATE OF NEW YORK OR

Part VI Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

THE CERTIFICATE OF INCORPORATION OR BYLAWS OF EACH SUPPORTED AFFILIATED ENTITY. THE FOLLOWING GOVERNANCE AND MANAGEMENT POWERS HAVE BEEN RESERVED TO THE MEMBER IN THE CERTIFICATE OF INCORPORATION:

(1) TO APPROVE AND INTERPRET THE STATEMENT OF MISSION AND PHILOSOPHY ADOPTED BY EACH SUPPORTED AFFILIATED ENTITY AND TO REQUIRE THAT EACH SUPPORTED AFFILIATED ENTITY OPERATE IN CONFORMANCE WITH ITS MISSION AND PHILOSOPHY;

(2) TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE CHIEF EXECUTIVE OFFICER OF EACH SUPPORTED AFFILIATED ENTITY;

(3) TO AMEND OR REPEAL THE CERTIFICATE OF INCORPORATION AND BYLAWS, AND TO ADOPT ANY NEW OR RESTATED CERTIFICATE OF INCORPORATION OR BYLAWS, OF EACH SUPPORTED AFFILIATED ENTITY;

(4) TO APPROVE ANY PLAN OF MERGER, CONSOLIDATION, DISSOLUTION OR LIQUIDATION OF EACH SUPPORTED AFFILIATED ENTITY;

(5) TO ELECT OR APPOINT, FIX THE NUMBER OF, AND REMOVE, WITH OR WITHOUT CAUSE, THE DIRECTORS OF EACH SUPPORTED AFFILIATED ENTITY;

(6) TO APPROVE THE DEBT OF EACH SUPPORTED AFFILIATED ENTITY IN EXCESS OF AN AMOUNT TO BE FIXED FROM TIME TO TIME BY THE MEMBER, AND ENCUMBRANCES ON CORPORATE REAL ESTATE TO SECURE PAYMENT OF DEBT TO BE INCURRED;

(7) TO APPROVE THE SALE, ACQUISITION, LEASE, TRANSFER, MORTGAGE, GUARANTY, OR PLEDGE OF REAL OR PERSONAL PROPERTY OF EACH SUPPORTED AFFILIATED ENTITY IN EXCESS OF AN AMOUNT TO BE FIXED FROM TIME TO TIME BY THE MEMBER;

(8) TO APPROVE THE CAPITAL AND OPERATING BUDGETS OF EACH SUPPORTED AFFILIATED ENTITY;

(9) TO APPROVE SETTLEMENTS OF LITIGATION WHEN SUCH SETTLEMENTS EXCEED

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

APPLICABLE INSURANCE COVERAGE OR THE AMOUNT OF ANY APPLICABLE

SELF-INSURANCE FUND;

(10) TO APPROVE ANY CORPORATE REORGANIZATION OF EACH SUPPORTED

AFFILIATED ENTITY AND THE DEVELOPMENT OR DISSOLUTION OF ANY SUBSIDIARY

ORGANIZATIONS, PARTNERSHIPS OR JOINT VENTURES OF EACH SUPPORTED

AFFILIATED ENTITY;

(11) TO APPROVE THE STRATEGIC PLAN OF EACH SUPPORTED AFFILIATED ENTITY;

AND

(12) TO APPROVE CONTRACTS OF EACH SUPPORTED AFFILIATED ENTITY WITH

INSURERS AND OTHER PAYERS, WHERE THE EXPECTED ANNUAL REVENUE OR RISK

EXPOSURE IS HIGHER THAN AN AMOUNT TO BE FIXED FROM TIME TO TIME BY THE

MEMBER.

(13) FOR THE PURPOSES OF THE FOREGOING, THE POWER OF THE MEMBER TO

APPROVE INCLUDES (I) THE POWER TO INITIATE AND DIRECT ACTION BY EACH

SUPPORTED AFFILIATED ENTITY WITHOUT A PRIOR RECOMMENDATION OF EACH

SUPPORTED AFFILIATED ENTITY'S BOARD OF DIRECTORS OR OTHER GOVERNING OR

MANAGING BODY, AND (II) THE POWER TO ACCEPT, REJECT OR MODIFY A

RECOMMENDATION OF EACH SUPPORTED AFFILIATED ENTITY'S BOARD OF DIRECTORS

OR OTHER GOVERNING OR MANAGING BODY AND TO DIRECT ACTION BY EACH

SUPPORTED AFFILIATED ENTITY UPON SUCH DETERMINATION OR RETURN THE

MATTER TO THE BOARD OR OTHER GOVERNING OR MANAGING BODY FOR

RECONSIDERATION WITH REASONS FOR THE REJECTION AND/OR SUGGESTED

CHANGES. THE BOARD OF DIRECTORS AND OFFICERS OF EACH SUPPORTED

AFFILIATED ENTITY SHALL NOT TAKE ANY ACTION REQUIRING THE APPROVAL OF

THE MEMBER UNTIL THE MEMBER SHALL HAVE EXERCISED ITS RESERVED POWERS

AND COMMUNICATED ITS DETERMINATION IN WRITING TO THE BOARD.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Name of the organization

HILLSIDE FAMILY OF AGENCIES

Employer identification number

16-1493407

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

Name of organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HILLSIDE CHILDREN'S FOUNDATION 1183 MONROE AVENUE ROCHESTER, NY 14620	\$ 241,631.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
--	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2017

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?	X		
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		99,758.
j Total. Add lines 1c through 1i			99,758.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

HILLSIDE FAMILY OF AGENCIES CONTACTED THE GOVERNOR'S OFFICE AND THE STATE LEGISLATURE'S LOCAL DELEGATION REGARDING FUNDING ISSUES RELEVANT TO CHILD WELFARE, YOUTH DEVELOPMENT AND EDUCATION, MENTAL HEALTH AND DEVELOPMENTAL DISABILITY FOR CHILDREN.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization **HILLSIDE FAMILY OF AGENCIES** Employer identification number **16-1493407**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,763,400.	4,170,503.	4,233,218.	4,233,993.	3,511,455.
b Contributions	517,741.	25,572.	123,708.	94,812.	130,553.
c Net investment earnings, gains, and losses	316,324.	576,325.	-37,726.	25,176.	690,444.
d Grants or scholarships					
e Other expenditures for facilities and programs	429,626.	9,000.	148,697.	120,763.	98,459.
f Administrative expenses					
g End of year balance	5,167,839.	4,763,400.	4,170,503.	4,233,218.	4,233,993.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment 66.34 %
- c Temporarily restricted endowment 33.66 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		13,305.	9,005.	4,300.
c Leasehold improvements				
d Equipment		4,800,990.	3,987,315.	813,675.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				817,975.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTERAFFILIATE RECEIVABLE - NET	33,556,808.
(2) BENEFICIAL INTEREST IN NET ASSETS OF HILLSIDE CHILDREN'S FOUNDATION	15,333,330.
(4) CAPTIVE INSURANCE PROGRAM	3,037,222.
(5) INTEREST RATE SWAP	284,507.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	52,211,867.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	184,446.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	184,446.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	38,495,739.
c	Add lines 4a and 4b	4c	38,495,739.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	38,680,185.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	39,512,362.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	39,512,362.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	242,608.
c	Add lines 4a and 4b	4c	242,608.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	39,754,970.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

ENDOWMENT FUND PROCEEDS ARE USED IN COMPLIANCE WITH THE DONOR DIRECTION. IN CASES WHERE THERE IS NO SPECIFIC DONOR DIRECTION, PROCEEDS ARE HELD BY THE FOUNDATION UNTIL USED TO FURTHER THE MISSIONS OF HILLSIDE CHILDREN'S FOUNDATION'S SUPPORTED ORGANIZATIONS.

PART X, LINE 2:

IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN FOR INCOME TAX PURPOSES WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD BE ULTIMATELY SUSTAINED. THE CENTER IS NOT AWARE OF ANY UNCERTAIN TAX POSITIONS.

Part XIII Supplemental Information (continued)

PART XI, LINE 4B - OTHER ADJUSTMENTS:

MANAGEMENT FEE INCOME	18,248,262.
INTEREST INCOME	3,240.
USER FEE INCOME	20,002,606.
GRANT FROM AFFILIATE	241,631.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	38,495,739.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

GAIN ON INTEREST RATE SWAP AGREEMENT SHOWN AS REDUCTION OF INTEREST EXPENSE	242,608.
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**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2017

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

HILLSIDE FAMILY OF AGENCIES

Employer identification number

16-1493407

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

- 4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:
- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.
- 6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.
- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III
- 8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III
- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DENNIS M. RICHARDSON FORMER CEO	(i)	442,743.	0.	0.	0.	15,561.	458,304.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) PAUL PERROTTO FORMER CFO	(i)	306,284.	0.	0.	14,768.	12,104.	333,156.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) MARIA CRISTALLI CHIEF EXECUTIVE OFFICER	(i)	237,271.	0.	0.	7,421.	12,077.	256,769.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) HELEN HALEWSKI FORMER CHIEF HR & ORG. DEVELOPMEN	(i)	276,527.	0.	0.	6,869.	0.	283,396.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MICHAEL SNYDER SENIOR COUNSEL	(i)	170,350.	0.	0.	5,454.	15,208.	191,012.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) MANUELLA PAHARIA CHIEF PRACTICE & PERFORMANCE OFFICER	(i)	243,734.	0.	0.	0.	8,593.	252,327.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) AUGUSTIN MELENDEZ CHIEF HR & ORG. DEVELOPMENT	(i)	37,665.	0.	0.	990.	7,004.	45,659.	0.
	(ii)	174,704.	0.	0.	4,591.	5,654.	184,949.	0.
(8) A.THOMAS HILDEBRANDT SPECIAL ASSISTANT TO CEO	(i)	188,190.	0.	0.	7,149.	15,023.	210,362.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

Name of the organization

HILLSIDE FAMILY OF AGENCIES

Employer identification number

16-1493407

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

STILLWATER CHILDREN'S CENTER. HILLSIDE FAMILY OF AGENCIES AND ITS
AFFILIATED ORGANIZATIONS PROVIDE FOR A WIDE CONTIUM OF SERVICES TO
CHILDREN AND THEIR FAMILIES.

FORM 990, PART VI, SECTION B, LINE 11B:

THE CHIEF FINANCIAL OFFICER AND THE HILLSIDE FAMILY OF AGENCIES' AUDIT
COMMITTEE REVIEWS THE 990 PRIOR TO FILING. THE 990 IS SHARED WITH THE BOARD
OF DIRECTORS AFTER FILING. THE PERFORMANCE AND COMPENSATION COMMITTEE ALSO
REVIEWS AND MONITORS EXECUTIVE COMPENSATION.

FORM 990, PART VI, SECTION B, LINE 12C:

RESPONSES ARE REVIEWED ANNUALLY BY THE CEO; SPECIAL CASES GO TO THE
GOVERNANCE COMMITTEE FOR ENFORCEMENT.

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD OF GOVERNORS OF THE ORGANIZATION USES A PERFORMANCE AND
COMPENSATION COMMITTEE OF INDEPENDENT MEMBERS TO EVALUATE THE CEO,
ESTABLISH GOALS, CONSIDER COMPENSATION ISSUES AND GATHER RELEVANT MARKET
INFORMATION ABOUT POSITIONS OF SIMILAR RESPONSIBILITIES AND SKILLS. OFTEN,
COMPENSATION CONSULTANTS ARE ENGAGED TO BROADEN INFORMATION ACCESS AND TO
ENSURE THAT THE COMPARATIVE INFORMATION IS INTERPRETED PROPERLY. THE
COMMITTEE MEETS SEVERAL TIMES PER YEAR WITH THE CEO TO REVIEW PERFORMANCE
AND REPORTS TO THE WHOLE BOARD AT LEAST ANNUALLY. THE INTELLIGENCE GATHERED
DURING THAT PROCESS IS USED BY THE CEO IN CONSIDERATION OF COMPENSATION FOR
OTHER OFFICERS AND KEY EMPLOYEES. THE PERFORMANCE AND COMPENSATION

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization

HILLSIDE FAMILY OF AGENCIES

Employer identification number

16-1493407

COMMITTEE ALSO REVIEWS AND APPROVES COMPENSATION FOR THE COO, CFO, AND CHIEF HR/OD OFFICER.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S FORM 990 IS POSTED TO ITS WEBSITE. IN ADDITION, THE RETURN AND OTHER DOCUMENTS OPEN FOR PUBLIC INSPECTION ARE AVAILABLE UPON WRITTEN REQUEST OR IN PERSON. REQUESTS FOR GOVERNING INSTRUMENTS, FINANCIAL STATEMENTS AND CONFLICT OF INTEREST POLICY ARE CONSIDERED UPON REQUEST.

FORM 990, PART VII, SECTION A, COLUMN B

HILLSIDE FAMILY OF AGENCIES (THE "ORGANIZATION") AND ITS AFFILIATES (COLLECTIVELY, THE "SYSTEM") THE SYSTEM CONSTITUTES A COMPREHENSIVE SYSTEM OF CARE, OFFERING MENTAL HEALTH, SOCIAL SERVICES, DEVELOPMENTAL DISABILITY, YOUTH DEVELOPMENT, ADOPTION, AND EDUCATIONAL SERVICES IN NEW YORK AND MARYLAND. THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT REVIEWS AND MONITORS THE MISSIONS, OBJECTIVES, ACTIVITIES, AND RESOURCES OF ITS AFFILIATES FOR THE PURPOSE OF PROMOTING EFFICIENT, EFFECTIVE, AND ECONOMICAL SOCIAL, EDUCATIONAL, AND MENTAL HEALTH SERVICES TO CHILDREN, YOUTH, AND FAMILIES IN ITS SERVICE AREA. THE CORPORATION IS A FINANCIALLY INTERRELATED ENTITY AND THE SOLE CORPORATE MEMBER OF ALL OF ITS AFFILIATES, AND PROVIDES CERTAIN OPERATING AND ADMINISTRATIVE SERVICES TO THE AFFILIATES. THE COSTS OF THESE SERVICES ARE ALLOCATED TO THE RECEIVING ENTITIES BASED UPON COST STUDIES AND/OR ACTUAL AMOUNTS INCURRED.

FOLLOWING IS AN ESTIMATE OF TIME DEVOTED AMONG ALL ENTITIES FOR INDIVIDUALS REPORTED IN PART VII - SECTION A:

1. DENNIS RICHARDSON, FORMER CEO - HILLSIDE FAMILY OF AGENCIES - 20

Name of the organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
---	--

HOURS, HILLSIDE CHILDREN'S CENTER - 6 HOURS, SNELL FARM CHILDREN'S CENTER - 2 HOURS, HILLSIDE WORK SCHOLARSHIP CONNECTION - 5 HOURS, HILLSIDE CHILDREN'S FOUNDATION - 5 HOURS, AND STILLWATER CHILDREN'S CENTER - 2 HOURS.

2. PAUL PERROTTO, FORMER CFO & STRATEGIC DEVELOPMENT OFFICER - HILLSIDE FAMILY OF AGENCIES - 18 HOURS, HILLSIDE CHILDREN'S CENTER - 4 HOURS, SNELL FARM CHILDREN'S CENTER - 2 HOURS, HILLSIDE WORK SCHOLARSHIP CONNECTION - 6 HOURS, HILLSIDE CHILDREN'S FOUNDATION - 8 HOURS, AND STILLWATER CHILDREN'S CENTER - 2 HOURS.

3. MARIA CRISTALLI, CEO - HILLSIDE FAMILY OF AGENCIES - 20 HOURS, HILLSIDE CHILDREN'S CENTER - 6 HOURS, SNELL FARM CHILDREN'S CENTER - 2 HOURS, HILLSIDE WORK SCHOLARSHIP CONNECTION - 5 HOURS, HILLSIDE CHILDREN'S FOUNDATION - 5 HOURS, AND STILLWATER CHILDREN'S CENTER - 2 HOURS.

4. AUGUSTIN MELENDEZ, CHIEF HR & ORG. DEVELOPMENT - HILLSIDE FAMILY OF AGENCIES - 8 HOURS, HILLSIDE WORK SCHOLARSHIP CONNECTION 32 HOURS.

5. HELEN HALEWSKI, CHIEF HR/OD OFFICER - HILLSIDE FAMILY OF AGENCIES - 12 HOURS, HILLSIDE CHILDREN'S CENTER - 14 HOURS, SNELL FARM CHILDREN'S CENTER - 2 HOURS, HILLSIDE WORK SCHOLARSHIP CONNECTION - 8 HOURS, HILLSIDE CHILDREN'S FOUNDATION - 2 HOURS AND STILLWATER CHILDREN'S CENTER - 2 HOURS.

6. ROGER B. FRIEDLANDER, GOVERNOR - HILLSIDE FAMILY OF AGENCIES - 0.50 HOURS AND HILLSIDE CHILDREN'S FOUNDATION - 0.50 HOURS.

7. DEBORAH DAUM, GOVERNOR - HILLSIDE FAMILY OF AGENCIES - 0.50 HOURS AND SNELL FARM CHILDRENS CENTER - 1.50 HOURS

8. MONICA MONTE, GOVERNOR - HILLSIDE FAMILY OF AGENCIES - 0.50 HOURS AND HILLSIDE CHIDREN'S CENTER - 1 HOURS

9. KAREN BEARSCH, GOVERNOR - HILLSIDE FAMILY OF AGENCIES - 0.50 HOURS

Name of the organization HILLSIDE FAMILY OF AGENCIES	Employer identification number 16-1493407
---	--

AND STILLWATER CHILDREN'S CENTER 0.50 HOURS.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF HILLSIDE

CHILDREN'S FDN	-766,243.
----------------	-----------

PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION

COST	111,911.
------	----------

UNREALIZED GAIN ON INVESTMENT IN AN ENTITY

UNREALIZED GAIN ON INTEREST RATE SWAP AGREEMENTS	242,608.
--	----------

TOTAL TO FORM 990, PART XI, LINE 9	-411,724.
------------------------------------	-----------

FORM 990, PART XII, LINE 3A AND 3B:

THE ORGANIZATION RECEIVES FEDERAL AWARDS AND IS REQUIRED TO HAVE AN AUDIT THAT IS PERFORMED IN ACCORDANCE WITH THE FOLLOWING: GENERALLY ACCEPTED AUDITING STANDARDS, GOVERNMENTAL AUDITING STANDARDS, THE SINGLE AUDIT ACT AND UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS AT 2 CFR 200 (UNIFORM GUIDANCE) . AS ALLOWED UNDER THE AFOREMENTIONED STANDARDS, THIS AUDIT WAS PERFORMED ON A CONSOLIDATED BASIS FOR ALL ENTITIES UNDER COMMON CONTROL OF THE ORGANIZATION THAT RECEIVE FEDERAL FUNDS.

SCHEDULE A, PART I, G

HILLSIDE CHILDREN'S FOUNDATION IS REPORTED AS A 10 UNDER (III)-TYPE OF ORGANIZATION. ALTHOUGH HILLSIDE CHILDREN'S FOUNDATION IS REPORTED ON SCHEDULE A OF THEIR RETURNS AS NUMBER 12, TYPE 1 SUPPORTING ORGANIZATION.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

Name of the organization **HILLSIDE FAMILY OF AGENCIES** Employer identification number **16-1493407**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
HILLSIDE CHILDREN'S CENTER - 16-0743039 1183 MONROE AVENUE ROCHESTER, NY 14620	EDUCATIONAL SERVICES FOR SPECIAL NEEDS CHILDREN	NEW YORK	501(C)(3)	LINE 7	N/A		X
HILLSIDE CHILDREN'S FOUNDATION - 16-1493404 1183 MONROE AVENUE ROCHESTER, NY 14620	RAISE FUNDS FOR AFFILIATES	NEW YORK	501(C)(3)	LINE 12B, II	N/A		X
HILLSIDE WORK SCHOLARSHIP CONNECTION - 16-1453581, 1183 MONROE AVENUE, ROCHESTER, NY 14620	YOUTH ADVOCACY PROGRAMS	NEW YORK	501(C)(3)	LINE 7	N/A		X
SNELL FARM CHILDREN'S CENTER - 16-1199261 1183 MONROE AVENUE ROCHESTER, NY 14620	RESIDENTIAL TREATMENT FOR TEENAGE BOYS	NEW YORK	501(C)(3)	LINE 7	N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
STILLWATER CHILDREN'S CENTER -- 16-1415435 1183 MONROE AVENUE ROCHESTER, NY 14620	RESIDENTIAL TREATMENT FOR YOUTH	NEW YORK	501(C)(3)	LINE 7	N/A		X

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Lined area for supplemental information input.

2018 ESTIMATED TAX FILING INSTRUCTIONS

FORM 990-W

FOR THE YEAR ENDING

JUNE 30, 2019

Prepared for	HILLSIDE FAMILY OF AGENCIES 1183 MONROE AVENEUE ROCHESTER, NY 14620																											
Prepared by	DOPKINS & COMPANY, LLP 200 INTERNATIONAL DR BUFFALO, NY 14221-5794																											
Amount of tax	<table><tr><td>Total Estimated Tax</td><td>\$</td><td>3,360</td></tr><tr><td>Less credit from prior year</td><td>\$</td><td>0</td></tr><tr><td>Less amount already paid on 2018 estimate</td><td>\$</td><td>0</td></tr><tr><td>Balance due</td><td>\$</td><td>3,360</td></tr></table> <p>Payable in full or in installments as follows:</p> <table><thead><tr><th>Installment</th><th>Amount</th><th>Due Date</th></tr></thead><tbody><tr><td>No. 1</td><td>\$ 840</td><td>OCTOBER 15, 2018</td></tr><tr><td>No. 2</td><td>\$ 840</td><td>DECEMBER 17, 2018</td></tr><tr><td>No. 3</td><td>\$ 840</td><td>MARCH 15, 2019</td></tr><tr><td>No. 4</td><td>\$ 840</td><td>JUNE 17, 2019</td></tr></tbody></table>	Total Estimated Tax	\$	3,360	Less credit from prior year	\$	0	Less amount already paid on 2018 estimate	\$	0	Balance due	\$	3,360	Installment	Amount	Due Date	No. 1	\$ 840	OCTOBER 15, 2018	No. 2	\$ 840	DECEMBER 17, 2018	No. 3	\$ 840	MARCH 15, 2019	No. 4	\$ 840	JUNE 17, 2019
Total Estimated Tax	\$	3,360																										
Less credit from prior year	\$	0																										
Less amount already paid on 2018 estimate	\$	0																										
Balance due	\$	3,360																										
Installment	Amount	Due Date																										
No. 1	\$ 840	OCTOBER 15, 2018																										
No. 2	\$ 840	DECEMBER 17, 2018																										
No. 3	\$ 840	MARCH 15, 2019																										
No. 4	\$ 840	JUNE 17, 2019																										
Make check payable to	PAYMENTS SHOULD BE MADE USING THE ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS).																											
Mail voucher and check (if applicable) to	NOT APPLICABLE																											
Special Instructions																												

Form **990-W**

Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations

OMB No. 1545-0976

(Worksheet)

(and on Investment Income for Private Foundations) FORM 990-T

2018

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/F990W for instructions and the latest information.
▶ Keep for your records. Do not send to the Internal Revenue Service.

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. See instructions for tax computation	2	
3	Alternative minimum tax for trusts. See instructions	3	
4	Total. Add lines 2 and 3	4	
5	Estimated tax credits. See instructions	5	
6	Subtract line 5 from line 4	6	
7	Other taxes. See instructions	7	
8	Total. Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels. See instructions	9	
10a	Subtract line 9 from line 8. Note: If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	
b	Enter the tax shown on the 2017 return. See instructions. Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	3,347.
c	2018 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	3,360.

		(a)	(b)	(c)	(d)	
11	Installment due dates. See instructions	11	10/15/18	12/17/18	03/15/19	06/17/19
12	Required installments. Enter 25% of line 10c in columns (a) through (d). But see instructions if the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization."	12	840.	840.	840.	840.
13	2017 Overpayment. See instructions	13				
14	Payment due (Subtract line 13 from line 12)	14	840.	840.	840.	840.

LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2018)

TAXPAYER'S COPY

TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

JUNE 30, 2018

Prepared for	HILLSIDE FAMILY OF AGENCIES 1183 MONROE AVENEUE ROCHESTER, NY 14620
Prepared by	DOPKINS & COMPANY, LLP 200 INTERNATIONAL DR BUFFALO, NY 14221-5794
Amount due or refund	BALANCE DUE OF \$3,347
Make check payable to	PAYMENTS SHOULD BE MADE USING THE ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS).
Mail tax return and check (if applicable) to	DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE CENTER OGDEN, UT 84201-0027
Return must be mailed on or before	MAY 15, 2019
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2017

For calendar year 2017 or other tax year beginning JUL 1, 2017, and ending JUN 30, 2018

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Department of the Treasury
Internal Revenue Service

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(03) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	Print or Type	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) HILLSIDE FAMILY OF AGENCIES</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 1183 MONROE AVENEUE</p> <p>City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, NY 14620</p>	<p>D Employer identification number (Employees' trust, see instructions.) 16-1493407</p> <p>E Unrelated business activity codes (See instructions.) 900099</p>
---	---------------------	---	--

<p>C Book value of all assets at end of year 58,739,910.</p>	<p>F Group exemption number (See instructions.) ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>
---	--

H Describe the organization's primary unrelated business activity. ▶ **TAX REFORM ACT PARKING**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
 If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **MARIA CRISTALLI, PRESIDENT & CHIEF** Telephone number ▶ **585-256-7500**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales			
b Less returns and allowances			
c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule) STATEMENT 1	12		
		19,619.	19,619.
13 Total. Combine lines 3 through 12	13	19,619.	19,619.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	
29 Total deductions. Add lines 14 through 28	29	0.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	19,619.
31 Net operating loss deduction (limited to the amount on line 30)	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	19,619.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	18,619.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____		
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____		
c Income tax on the amount on line 34 SEE STATEMENT 2	35c	3,347.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Tax on Non-Compliant Facility Income. See instructions	39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	3,347.

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	41a	
b Other credits (see instructions)	41b	
c General business credit. Attach Form 3800	41c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	41d	
e Total credits. Add lines 41a through 41d	41e	
42 Subtract line 41e from line 40	42	3,347.
43 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	43	
44 Total tax. Add lines 42 and 43	44	3,347.
45a Payments: A 2016 overpayment credited to 2017	45a	
b 2017 estimated tax payments	45b	
c Tax deposited with Form 8868	45c	
d Foreign organizations: Tax paid or withheld at source (see instructions)	45d	
e Backup withholding (see instructions)	45e	
f Credit for small employer health insurance premiums (Attach Form 8941)	45f	
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	45g	
46 Total payments. Add lines 45a through 45g	46	
47 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	47	
48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	3,347.
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	
50 Enter the amount of line 49 you want: Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	50	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
53 Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

TAXPAYER'S COPY Signature of officer _____ Date _____ **CHIEF EXECUTIVE OFFICER** Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	NICHOLAS FIUME	NICHOLAS FIUME	05/01/19		P10501475
	Firm's name DOPKINS & COMPANY, LLP	Firm's EIN 16-0929175			
	Firm's address 200 INTERNATIONAL DR		Phone no. 716-634-8800		
	BUFFALO, NY 14221-5794				

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes No
4a	Additional section 263A costs (attach schedule)	4a					
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5					

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals		Enter here and on page 1, Part I, line 7, column (A).		Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8		0.		0.
				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
TAX REFORM ACT PARKING		19,619.	
TOTAL TO FORM 990-T, PAGE 1, LINE 12		19,619.	

FORM 990-T	LINE 35C TAX COMPUTATION	STATEMENT	2
1.	TAXABLE INCOME	18,619	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	18,619	
3.	LINE 1 LESS LINE 2	0	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	0	
5.	LINE 3 LESS LINE 4	0	
6.	INCOME SUBJECT TO 34% TAX RATE	0	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	2,793	
9.	25 PERCENT OF LINE 4	0	
10.	34 PERCENT OF LINE 6	0	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL INCOME TAX		<u>2,793</u>
15.	TAX AT 21% RATE EFFECTIVE AFTER 12/31/2017	<u>3,910</u>	
	DAYS		
16.	TAX PRORATED FOR NUMBER OF DAYS IN 2017 184	1,408	
17.	TAX PRORATED FOR NUMBER OF DAYS IN 2018 181	1,939	
18.	TOTAL TAX PRORATED	<u>365</u>	<u>3,347</u>

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868 .**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. HILLSIDE FAMILY OF AGENCIES	Employer identification number (EIN) or 16-1493407
	Number, street, and room or suite no. If a P.O. box, see instructions. 1183 MONROE AVENEUE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ROCHESTER, NY 14620	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

MARIA CRISTALLI, PRESIDENT & CHIEF EXECUTIVE OFFICER

• The books are in the care of ▶ **1183 MONROE AVENUE - ROCHESTER, NY 14620**
 Telephone No. ▶ **585-256-7500** Fax No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15, 2019**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2017**, and ending **JUN 30, 2018**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CHAR500

FOR THE YEAR ENDING

JUNE 30, 2018

Prepared for	HILLSIDE FAMILY OF AGENCIES 1183 MONROE AVENEUE ROCHESTER, NY 14620
Prepared by	DOPKINS & COMPANY, LLP 200 INTERNATIONAL DR BUFFALO, NY 14221-5794
Amount due or refund	BALANCE DUE OF \$775.00
Make check payable to	DEPARTMENT OF LAW
Mail tax return and check (if applicable) to	NYS OFFICE OF ATTORNEY GENERAL CHARITIES BUREAU REGISTRATION SECTION 28 LIBERTY STREET NEW YORK, NY 10005
Return must be mailed on or before	PLEASE MAIL AS SOON AS POSSIBLE.
Special Instructions	THE REPORT SHOULD BE SIGNED AND DATED BY THE AUTHORIZED INDIVIDUAL(S). THE ATTACHED COPY OF FEDERAL FORM 990 MUST BE PROPERLY SIGNED AND DATED.

CHAR500

NYS Annual Filing for Charitable Organizations
www.CharitiesNYS.com

Send with fee and attachments to:
NYS Office of the Attorney General
Charities Bureau Registration Section
28 Liberty Street
New York, NY 10005

2017
Open to Public Inspection

1. General Information

For Fiscal Year Beginning (mm/dd/yyyy) 07/01/2017 and Ending (mm/dd/yyyy) 06/30/2018		
Check if Applicable: <input type="checkbox"/> Address Change <input type="checkbox"/> Name Change <input type="checkbox"/> Initial Filing <input type="checkbox"/> Final Filing <input type="checkbox"/> Amended Filing <input type="checkbox"/> Reg ID Pending	Name of Organization: HILLSIDE FAMILY OF AGENCIES	Employer Identification Number (EIN): 16-1493407
	Mailing Address: 1183 MONROE AVENEUE	NY Registration Number: 05-69-33
	City / State / ZIP: ROCHESTER, NY 14620	Telephone: 585 2567500
	Website: WWW.HILLSIDE.COM	Email:

Check your organization's registration category: 7A only EPTL only DUAL (7A & EPTL) EXEMPT* Confirm your Registration Category in the Charities Registry at www.CharitiesNYS.com.

2. Certification

See instructions for certification requirements. Improper certification is a violation of law that may be subject to penalties. The certification requires two signatories.

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

President or Authorized Officer:	TAXPAYER'S COPY	MARIA CRISTALLI	
	Signature	Print Name and Title	Date
		LEONARD J. SHUTE	
Chief Financial Officer or Treasurer:		TREASURER	
	Signature	Print Name and Title	Date

3. Annual Reporting Exemption

Check the exemption(s) that apply to your filing. If your organization is claiming an exemption under one category (7A or EPTL only filers) or both categories (DUAL filers) that apply to your registration, complete only parts 1, 2, and 3, and submit the certified Char500. No fee, schedules, or additional attachments are required. If you cannot claim an exemption or are a DUAL filer that claims only one exemption, you must file applicable schedules and attachments and pay applicable fees.

3a. 7A filing exemption: Total contributions from NY State including residents, foundations, government agencies, etc. did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during the fiscal year.

3b. EPTL filing exemption: Gross receipts did not exceed \$25,000 and the market value of assets did not exceed \$25,000 at any time during the fiscal year.

4. Schedules and Attachments

See the following page for a checklist of schedules and attachments to complete your filing.

Yes No 4a. Did your organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? If yes, complete Schedule 4a.

Yes No 4b. Did the organization receive government grants? If yes, complete Schedule 4b.

5. Fee

See the checklist on the next page to calculate your fee(s). Indicate fee(s) you are submitting here:	7A filing fee: \$ <u>25.</u>	EPTL filing fee: \$ <u>750.</u>	Total fee: \$ <u>775.</u>	Make a single check or money order payable to: "Department of Law"
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CHAR500 Annual Filing for Charitable Organizations (Updated April 2018)

*The "Exempt" category refers to an organization's NYS registration status. It does not refer to its IRS tax designation.

CHAR500

Annual Filing Checklist

Simply submit the certified CHAR500 with no fee, schedule, or additional attachments IF:

- Your organization is registered as 7A only and you marked the 7A filing exemption in Part 3.
- Your organization is registered as EPTL only and you marked the EPTL filing exemption in Part 3.
- Your organization is registered as DUAL and you marked both the 7A and EPTL filing exemption in Part 3.

Checklist of Schedules and Attachments

Check the schedules you must submit with your CHAR500 as described in Part 4:

- If you answered "yes" in Part 4a, submit Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsel (FRC), Commercial Co-Venturers (CCV)
- If you answered "yes" in Part 4b, submit Schedule 4b: Government Grants

Check the financial attachments you must submit with your CHAR500:

- IRS Form 990, 990-EZ, or 990-PF, and 990-T if applicable
- All additional IRS Form 990 Schedules, including Schedule B (Schedule of Contributors). Schedule B of public charities is exempt from disclosure and will not be available for public review.
- Our organization was eligible for and filed an IRS 990-N e-postcard. Our revenue exceeded \$25,000 and/or our assets exceeded \$25,000 in the filing year. We have included an IRS Form 990-EZ for state purposes only.

If you are a 7A only or DUAL filer, submit the applicable independent Certified Public Accountant's Review or Audit Report:

- Review Report if you received total revenue and support greater than \$250,000 and up to \$750,000.
- Audit Report if you received total revenue and support greater than \$750,000
- No Review Report or Audit Report is required because total revenue and support is less than \$250,000
- We are a DUAL filer and checked box 3a, no Review Report or Audit Report is required

Calculate Your Fee

For 7A and DUAL filers, calculate the 7A fee:

- \$0, if you checked the 7A exemption in Part 3a
- \$25, if you did not check the 7A exemption in Part 3a

For EPTL and DUAL filers, calculate the EPTL fee:

- \$0, if you checked the EPTL exemption in Part 3b
- \$25, if the NET WORTH is less than \$50,000
- \$50, if the NET WORTH is \$50,000 or more but less than \$250,000
- \$100, if the NET WORTH is \$250,000 or more but less than \$1,000,000
- \$250, if the NET WORTH is \$1,000,000 or more but less than \$10,000,000
- \$750, if the NET WORTH is \$10,000,000 or more but less than \$50,000,000
- \$1500, if the NET WORTH is \$50,000,000 or more

Send Your Filing

Send your CHAR500, all schedules and attachments, and total fee to:

NYS Office of the Attorney General
 Charities Bureau Registration Section
 28 Liberty Street
 New York, NY 10005

Need Assistance?

Visit: www.CharitiesNYS.com
 Call: (212) 416-8401
 Email: Charities.Bureau@ag.ny.gov

Is my Registration Category 7A, EPTL, DUAL or EXEMPT?

Organizations are assigned a Registration Category upon registration with the NY Charities Bureau:

7A filers are registered to solicit contributions in New York under Article 7-A of the Executive Law ("7A")

EPTL filers are registered under the Estates, Powers & Trusts Law ("EPTL") because they hold assets and/or conduct activities for charitable purposes in NY.

DUAL filers are registered under both 7A and EPTL.

EXEMPT filers have registered with the NY Charities Bureau and meet conditions in **Schedule E - Registration Exemption for Charitable Organizations**. These organizations are not required to file annual financial reports but may do so voluntarily.

Confirm your Registration Category and learn more about NY law at www.CharitiesNYS.com.

Where do I find my organization's NET WORTH?

NET WORTH for fee purposes is calculated on:

- IRS Form 990 Part I, line 22
- IRS Form 990 EZ Part I, line 21
- IRS Form 990 PF, calculate the difference between Total Assets at Fair Market Value (Part II, line 16(c)) and Total Liabilities (Part II, line 23(b)).



**Consolidated Financial Statements and
Consolidating Supplementary Information
With Independent Auditor's Reports**

June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Hillside Family of Agencies

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hillside Family of Agencies and its affiliated entities (the "System"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Emphasis of Matter

As discussed in Note 1, during the year ended June 30, 2018 the System elected to change its accounting policy for presentation of investment income or loss, to present investment income equal to its spending policy as a component of operating activities under total revenue and public support. Previously all investment income or loss was presented as part of the increase (decrease) in net assets from non-operating activities. The prior year has been reclassified to conform to the current year presentation. Our opinion is not modified with respect to this matter.

Dopkins & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 1, 2018

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

ASSETS	2018	2017
Cash	\$ 512,548	\$ 3,565,358
Restricted cash	1,096,806	993,564
Restricted assets held in trust	294,851	288,589
Receivables – net	23,967,363	24,858,109
Investments	30,732,037	28,832,847
Prepaid expenses and other assets	5,752,201	5,749,214
Property and equipment – net	64,034,620	66,292,475
Total assets	\$ 126,390,426	\$ 130,580,156
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 5,376,346	\$ 5,563,223
Accrued expenses and other liabilities	13,460,500	13,282,733
Refundable advances	5,054,467	2,262,708
Bonds, notes payable and lines of credit	49,235,942	49,208,594
Obligations under capital leases	1,171,900	1,107,850
Pension obligation	4,896,354	6,531,246
Postretirement benefit obligation	438,919	464,949
Total liabilities	79,634,428	78,421,303
Net Assets		
Unrestricted	27,781,384	32,622,065
Temporarily restricted	14,268,157	15,409,274
Permanently restricted	4,706,457	4,127,514
Total net assets	46,755,998	52,158,853
Total liabilities and net assets	\$ 126,390,426	\$ 130,580,156

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and public support:								
Program-related revenue:								
NYS Department of Children and Family Services	\$ 58,067,603	\$ -	\$ -	\$ 58,067,603	\$ 56,341,428	\$ -	\$ -	\$ 56,341,428
NYS Office of Mental Health	30,352,647	-	-	30,352,647	31,288,061	-	-	31,288,061
NYS Education Department	29,354,521	-	-	29,354,521	28,199,705	-	-	28,199,705
NYS OPWDD	9,802,939	-	-	9,802,939	8,775,162	-	-	8,775,162
NYS OASAS	205,192	-	-	205,192	167,303	-	-	167,303
NYS DOL	-	-	-	-	16,667	-	-	16,667
Maryland Prince George County	1,375,000	-	-	1,375,000	1,350,000	-	-	1,350,000
Capital District Education Department	90,000	-	-	90,000	64,472	-	-	64,472
Private billings	6,659,199	-	-	6,659,199	4,810,751	-	-	4,810,751
Government grants	2,783,559	-	-	2,783,559	2,871,132	-	-	2,871,132
United Way	635,111	350,000	-	985,111	607,592	349,342	-	956,934
Total program-related revenue	139,325,771	350,000	-	139,675,771	134,492,273	349,342	-	134,841,615
Miscellaneous other operating revenue	3,063,816	-	-	3,063,816	2,939,973	-	-	2,939,973
Public support – contributions and grants	381,987	7,410,967	517,741	8,310,695	611,489	8,102,300	25,572	8,739,361
Event income	53,611	240,521	-	294,132	37,175	623,216	-	660,391
Investment income designated for operation:	982,199	-	-	982,199	966,323	-	-	966,323
Net assets released from restriction:	9,526,072	(9,526,072)	-	-	11,395,350	(11,395,350)	-	-
Total public support	10,943,869	(1,874,584)	517,741	9,587,026	13,010,337	(2,669,834)	25,572	10,366,075
Total revenue and public support	153,333,456	(1,524,584)	517,741	152,326,613	150,442,583	(2,320,492)	25,572	148,147,663
Operating expenses:								
Program services:								
Children and family services	112,591,102	-	-	112,591,102	108,275,094	-	-	108,275,094
Educational services	21,874,639	-	-	21,874,639	20,576,192	-	-	20,576,192
Total program services	134,465,741	-	-	134,465,741	128,851,286	-	-	128,851,286
Supporting services:								
Management and general	18,871,066	-	-	18,871,066	17,671,389	-	-	17,671,389
General fundraising	1,911,573	-	-	1,911,573	1,555,304	-	-	1,555,304
Total supporting services	20,782,639	-	-	20,782,639	19,226,693	-	-	19,226,693
Grants to others	1,221,539	-	-	1,221,539	1,647,917	-	-	1,647,917
Total operating expenses	156,469,919	-	-	156,469,919	149,725,896	-	-	149,725,896
Increase (decrease) from operating activities	(3,136,463)	(1,524,584)	517,741	(4,143,306)	716,687	(2,320,492)	25,572	(1,578,233)
Non-operating activities:								
Investment income net of investment income designated for operation	261,627	383,467	61,202	706,296	1,091,885	659,487	58,497	1,809,869
Pension-related changes other than net periodic pension cos	1,074,440	-	-	1,074,440	2,466,443	-	-	2,466,443
Miscellaneous	(3,040,285)	-	-	(3,040,285)	(528,228)	-	-	(528,228)
Increase (decrease) from non-operating activities	(1,704,218)	383,467	61,202	(1,259,549)	3,030,100	659,487	58,497	3,748,084
Changes in net assets	(4,840,681)	(1,141,117)	578,943	(5,402,855)	3,746,787	(1,661,005)	84,069	2,169,851
Net assets – Beginning of year	32,622,065	15,409,274	4,127,514	52,158,853	28,875,278	17,070,279	4,043,445	49,989,002
Net assets – End of year	\$ 27,781,384	\$ 14,268,157	\$ 4,706,457	\$ 46,755,998	\$ 32,622,065	\$ 15,409,274	\$ 4,127,514	\$ 52,158,853

See Notes to Consolidated Financial Statements.

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

(With Comparative Totals for 2017)

	Program Services			Supporting Services			2018 Total	2017 Total
	Children and Family Services	Educational Services	Total	Management and General	General Fundraising	Total		
Personnel expenses:								
Salaries and wages	\$ 71,217,518	\$ 14,532,348	\$ 85,749,866	\$ 10,015,658	\$ 1,110,772	\$ 11,126,430	\$ 96,876,296	\$ 92,697,111
Employee benefits	15,216,246	3,111,661	18,327,907	2,144,429	237,834	2,382,263	20,710,170	19,466,067
Total personnel expenses	86,433,764	17,644,009	104,077,773	12,160,087	1,348,606	13,508,693	117,586,466	112,163,178
Direct child care:								
Food	2,006,119	311,968	2,318,087	13,049	13,073	26,122	2,344,209	2,398,726
Clothing and linen	601,845	6,021	607,866	1,367	-	1,367	609,233	555,298
Supplies – medical	595,105	3,090	598,195	-	-	-	598,195	624,445
Purchase of services – medical	1,944,559	113,146	2,057,705	-	-	-	2,057,705	1,816,193
Recreation, work activities and other	814,611	53,446	868,057	25,526	-	25,526	893,583	953,420
Staff development	491,215	26,701	517,916	622,103	19,904	642,007	1,159,923	960,568
Boarding home payments	250,709	-	250,709	-	-	-	250,709	222,599
Total direct child care expenses	6,704,163	514,372	7,218,535	662,045	32,977	695,022	7,913,557	7,531,249
Other expenses:								
Occupancy	2,371,477	533,269	2,904,746	277,905	43,824	321,729	3,226,475	3,081,714
Supplies	1,663,623	499,040	2,162,663	574,977	52,406	627,383	2,790,046	3,005,391
Professional fees	5,656,904	1,194,330	6,851,234	2,593,173	105,605	2,698,778	9,550,012	9,017,379
Telephone	1,603,452	170,547	1,773,999	158,530	10,984	169,514	1,943,513	1,840,323
Conferences and administration	343,177	4,625	347,802	335,104	10,824	345,928	693,730	624,017
Transportation	2,472,363	54,882	2,527,245	114,595	7,656	122,251	2,649,496	2,607,957
Interest	831,354	121,883	953,237	1,287,070	-	1,287,070	2,240,307	1,866,657
Postage	80,978	9,585	90,563	36,563	20,708	57,271	147,834	154,190
Publications and publicity	8,680	1,536	10,216	328,178	277,983	606,161	616,377	390,557
Total other expenses	15,032,008	2,589,697	17,621,705	5,706,095	529,990	6,236,085	23,857,790	22,588,185
Total expenses before depreciation	108,169,935	20,748,078	128,918,013	18,528,227	1,911,573	20,439,800	149,357,813	142,282,612
Depreciation	4,421,167	1,126,561	5,547,728	342,839	-	342,839	5,890,567	5,795,367
Total program and supporting services expenses	112,591,102	21,874,639	134,465,741	18,871,066	1,911,573	20,782,639	155,248,380	148,077,979
Grants to others	-	-	-	-	-	-	1,221,539	1,647,917
Total operating expenses	\$ 112,591,102	\$ 21,874,639	\$ 134,465,741	\$ 18,871,066	\$ 1,911,573	\$ 20,782,639	\$ 156,469,919	\$ 149,725,896

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017

	Program Services			Supporting Services			
	Children and Family Services	Educational Services	Total	Management and General	General Fundraising	Total	Total
Personnel expenses:							
Salaries and wages	\$ 68,082,516	\$ 13,860,613	\$ 81,943,129	\$ 9,770,121	\$ 983,861	\$ 10,753,982	\$ 92,697,111
Employee benefits	14,286,272	2,915,647	17,201,919	2,056,962	207,186	2,264,148	19,466,067
Total personnel expenses	82,368,788	16,776,260	99,145,048	11,827,083	1,191,047	13,018,130	112,163,178
Direct child care:							
Food	2,091,034	292,667	2,383,701	12,460	2,565	15,025	2,398,726
Clothing and linen	543,590	11,046	554,636	662	-	662	555,298
Supplies – medical	621,602	2,527	624,129	316	-	316	624,445
Purchase of services – medical	1,769,826	46,367	1,816,193	-	-	-	1,816,193
Recreation, work activities and other	853,042	83,096	936,138	17,282	-	17,282	953,420
Staff development	554,431	23,097	577,528	368,760	14,280	383,040	960,568
Boarding home payments	222,599	-	222,599	-	-	-	222,599
Total direct child care expenses	6,656,124	458,800	7,114,924	399,480	16,845	416,325	7,531,249
Other expenses:							
Occupancy	2,333,298	468,162	2,801,460	212,823	67,431	280,254	3,081,714
Supplies	1,779,438	434,207	2,213,645	628,272	163,474	791,746	3,005,391
Professional fees	5,679,965	1,000,937	6,680,902	2,317,725	18,752	2,336,477	9,017,379
Telephone	1,533,388	146,411	1,679,799	149,564	10,960	160,524	1,840,323
Conferences and administration	243,760	19,322	263,082	332,889	28,046	360,935	624,017
Transportation	2,408,887	69,133	2,478,020	124,128	5,809	129,937	2,607,957
Interest	803,083	114,298	917,381	949,276	-	949,276	1,866,657
Postage	95,039	12,122	107,161	33,100	13,929	47,029	154,190
Publications and publicity	4,888	1,540	6,428	345,118	39,011	384,129	390,557
Total other expenses	14,881,746	2,266,132	17,147,878	5,092,895	347,412	5,440,307	22,588,185
Total expenses before depreciation	103,906,658	19,501,192	123,407,850	17,319,458	1,555,304	18,874,762	142,282,612
Depreciation	4,368,436	1,075,000	5,443,436	351,931	-	351,931	5,795,367
Total program and supporting services expenses	108,275,094	20,576,192	128,851,286	17,671,389	1,555,304	19,226,693	148,077,979
Grants to others	-	-	-	-	-	-	1,647,917
Total operating expenses	\$ 108,275,094	\$ 20,576,192	\$ 128,851,286	\$ 17,671,389	\$ 1,555,304	\$ 19,226,693	\$ 149,725,896

See Notes to Consolidated Financial Statements.

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ (5,402,855)	\$ 2,169,851
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,890,567	5,795,367
Loss on the sale of property and equipment	32,450	26,268
Amortization of debt issue costs	71,898	242,213
Change in allowance for uncollectible accounts	(303,747)	(33,705)
Net unrealized and realized gains on investments	(1,484,911)	(2,066,535)
Change in beneficial interest in trusts	(82,745)	(93,784)
Unrealized gain on interest rate swap agreements	(527,454)	(250,880)
Pension-related changes other than net periodic pension cost	(1,074,440)	(2,466,442)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,194,493	715,671
Prepaid expenses and other assets	491,935	(611,795)
Increase (decrease) in:		
Accounts payable	134,724	152,007
Accrued expenses and other liabilities	210,299	(445,558)
Refundable advances	2,791,759	1,296,950
Pension obligation	(560,452)	(1,460,356)
Postretirement benefit obligation	(26,030)	(42,645)
Net cash provided by operating activities	1,355,491	2,926,627
Cash Flows From Investing Activities		
Purchases of property and equipment	(3,441,233)	(3,595,278)
Proceeds from the sale of property and equipment	99,819	815,833
Purchases of investments	(837,331)	(23,027,212)
Proceeds from the sales of investments	505,797	22,262,223
Change in restricted assets held in trust	(6,262)	(2,619)
Change in restricted cash	(103,242)	(1,760)
Net cash used in investing activities	(3,782,452)	(3,548,813)
Cash Flows From Financing Activities		
Net borrowings on lines of credit	3,000,000	11,229,410
Payments on bonds and notes payable	(3,044,550)	(8,046,186)
Payments on obligations under capital leases	(581,299)	(583,430)
Net cash provided by (used in) financing activities	(625,849)	2,599,794
Net increase (decrease) in cash	(3,052,810)	1,977,608
Cash:		
Beginning	3,565,358	1,587,750
Ending	\$ 512,548	\$ 3,565,358
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 2,397,129	\$ 2,717,993
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Lines of credit and notes payable refinanced	\$ -	\$ 33,000,000
Property and equipment included in accounts payable	\$ 334,987	\$ 656,588
Property and equipment financed by capital leases	\$ 645,349	\$ 588,838

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Organization:

Hillside Family of Agencies (the “Corporation”) and its affiliates (collectively, the “System”) constitute a comprehensive system of care, offering mental health, social services, developmental disability, youth development, adoption, and educational services in New York and Maryland. The Corporation is a not-for-profit corporation that reviews and monitors the missions, objectives, activities, and resources of its affiliates for the purpose of promoting efficient, effective, and economical social, educational, and mental health services to children, youth, and families in its service area. It is the sole corporate member of the following entities:

- Hillside Children’s Center
- Hillside Children’s Foundation (the “Foundation”)
- Hillside Work-Scholarship Connection
- Snell Farm Children’s Center
- Stillwater Children’s Center

A summary of the System’s significant accounting policies follows:

Basis of presentation:

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements include the accounts of the System, as described above. All significant interaffiliate balances and transactions have been eliminated.

Cash:

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

Restricted cash:

The System self-insures health care benefits for its participating employees and dependents. In order to ensure the orderly payment of claims, a trust account was established with the claims administrator in which an amount approximating average unpaid claims is deposited. The balance can be adjusted from time-to-time to reflect any changes in participation, work force, or benefit costs. At June 30, 2018 and 2017, the money market savings account balance was \$1,096,806 and \$993,564, respectively, and is reported as restricted cash in the accompanying consolidated financial statements.

Restricted assets held in trust:

This balance represents cash and cash equivalents which are limited to use under terms of debt indentures for debt service payments.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Receivables:

Receivables for program services provided are recorded at the amount the System expects to be reimbursed based on approved reimbursement rates in place at the time the service is provided, as described under the revenue recognition policy. Pledges are recorded as receivables in the year made at the original pledge amount less an estimate made for uncollectible pledges. Management evaluates if accounts receivable are collectible on an annual basis and adjusts for uncollectible amounts through an allowance for doubtful accounts. Recoveries of amounts previously written off are recorded as revenue at the time such amounts are collected. At June 30, 2018 and 2017, the System's receivables consisted of net program-related receivables of \$23,967,363 and \$24,711,286, respectively, and net pledges receivable of \$0- and \$146,823, respectively. Receivables are presented net of allowances for doubtful accounts and discounts of \$482,239 and \$785,986 at June 30, 2018 and 2017, respectively.

Beneficial interest in trusts:

The System is the beneficiary of an interest in various trusts which were created at the direction of the donors and are controlled by independent trustees. The System records its interest in these trusts, upon discovery of their existence, at fair value of the trusts' assets, which is determined by the investment statements held by the trusts. Because of the complex issues related to collecting the data for these transactions, there can be a time delay in recording of the assets because of the time needed for discovery, verification of the System's rights, and the determination of the fair value.

The original fair value, subsequent annual changes in fair value, and distributions received are recorded within the three classifications of net assets (unrestricted, temporarily and permanently restricted) following the original intent of the donors and instructions received from the trustees. The value of the interest in the trusts is included within investments in the accompanying consolidated statements of financial position. The change in the value of the trusts and receipt of distributions of earnings are reported as a component of investment income in the accompanying consolidated statements of activities and changes in net assets.

Investment income:

Investment income and gains and losses from the sale or other disposition of investments are accounted for in accordance with specific donor instructions. In the absence of such instructions, investment income and gains and losses are accounted for in unrestricted net assets. Interest and dividend income are recognized as earned. Gains and losses on security sales are determined based upon the average cost of the security within the respective net asset portfolio.

Under an investment spending policy established by the System's Board of Governors, the System utilizes 5% of the average invested balance of the prior 20 quarters to support its programs. This amount is presented as investment income designated for operations within public support and the remaining net investment income is presented as a component of increase (decrease) in net assets from non-operating activities as investment income net of investment income designated for operations in the consolidated statements of activities and changes in net assets.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Fair value measurements:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the System 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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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.

Certain assets are valued at net asset value (NAV) per share and these are not included in the fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2018 and 2017.

Cash and Cash Equivalents – The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those instruments.

Debt Securities – These are valued at estimated fair value as determined by third-party pricing services and qualified appraisers.

Mutual Funds – Mutual funds with registered investment companies, including The Investment Fund for Foundations (TIFF) fund, are valued at the daily closing price as reported by the fund. Mutual funds held by the System and Defined Benefit Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Defined Benefit Plan, except for money market funds, are deemed to be actively traded.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Fair value measurements (continued):

Mutual Funds (continued) – Money market funds generally transact at \$1.00 NAV as reported by the fund and is based on the amortized cost of the underlying securities of the fund. The \$1.00 NAV is considered to be the price to sell the money market funds and its estimated fair value. Investments in this category can be redeemed daily at the current NAV per share based on the fair value of the underlying assets.

Beneficial Interest in Trusts – These are valued at an estimated fair value of the trusts' assets, as reported by each trustee based on the underlying investments held within each of the trust accounts.

Derivative Instruments – The System's interest rate swap agreements are stated at fair value, calculated at the difference of the present value of future cash flows of the two interest rates (variable rate swapped at a fixed rate) that were swapped, and represents the estimated amount that the System would expect to pay if it terminated the interest rate swap agreement at the reporting date.

The preceding 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, although the System 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.

Captive insurance program:

The System has insurance coverage with commercial insurance companies for general and professional liabilities up to \$1 million and an umbrella policy for an additional \$1 million. The System is also a subscriber in a captive insurance arrangement with a risk retention group, which provides coverage for losses between \$2 million and \$40 million. The System was required to make capital contributions to the risk retention group upon execution of its membership agreement, and the amount is recorded in a paid-in surplus account. Premiums paid by the System for each policy year are recorded in a subscriber savings account. The subscriber savings account also includes the System's proportionate share of costs, expenses and fees, including reinsurance, paid losses, case reserves, claims incurred but not reported, allocated shared losses, the System's proportionate share of investment income/loss, dividends paid to the System, and allocated gains/losses from former subscribers. The System's subscriber savings account and paid-in surplus account balance amounted to \$3,037,222 and \$3,307,433 as of June 30, 2018 and 2017, respectively, and is presented within prepaid expenses and other assets in the accompanying consolidated statements of financial position. Changes in the account balance are recorded in program and management and general expense within operating expenses in the accompanying consolidated statements of activities and changes in net assets. Insurance expense relating to the captive insurance program amounted to \$1,187,958 and \$863,809 at June 30, 2018 and 2017, respectively.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Property and equipment and accumulated depreciation:

Land, buildings and equipment are recorded at cost if purchased or at fair value if donated. Depreciation is provided on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Building and land improvements	20
Furniture, fixtures and equipment	4 - 10
Vehicles	4

Fully depreciated assets are retained in the accounting records until their retirement. Repairs and maintenance are expensed as incurred.

Capital leases:

Leases which meet the capital lease criteria under the Leases Topic of the FASB Accounting Standards Codification are recorded as assets and obligations at the lesser of the present value of the future rental payments or the fair value of the leased property at the inception of the lease. Amortization of equipment under capital leases has been provided using the straight-line method over the term of the leases, and is included in depreciation expense in the accompanying consolidated financial statements.

Refundable advances:

Refundable advances of the System represent short-term overpayments received for contracted services and amounts owed back to funding sources for audits and rate modifications.

Derivative financial instruments:

The System has entered into seven interest rate swap agreements for the purpose of reducing the impact of changes in interest rates on variable rate long-term debt. Derivative financial instruments are utilized to reduce interest-rate risk and are not held for trading purposes. The System records all interest rate swap agreements in the consolidated statements of financial position at fair value. The fair value asset of the interest rate swaps were \$550,396 and \$22,942 at June 30, 2018 and 2017, respectively. Changes in the interest rate swap agreements fair value is recognized in the consolidated statements of activities and changes in net assets as additional interest expense or a reduction of interest expense, which amounted to an unrealized gain of \$527,454 and \$250,880 for the years ended June 30, 2018 and 2017, respectively. The System received \$611,999 for terminating and renegotiating one of the swap agreements, which is recorded as a reduction of interest expense in the consolidated statements of activities and changes in net assets for the year ended June 30, 2017.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Operating and non-operating activities:

Operating activities are those that occur in the normal course of business operations for the current period. Non-operating activities include investment income (loss) (net of which has been designated for operations) and activities that are unrelated to the current time period or to normal operations, including pension related changes relating to other than net periodic pension cost.

Program-related revenues:

Revenue under most contracts and grants with various authorities (principally governmental agencies in New York State) is recognized as the services are performed. These program-related revenues are categorized in the accompanying consolidated financial statements under the New York State department that is responsible for the regulatory oversight of the related programs. Certain rates under such contracts and grants are subject to audit by the contracting authority. Rate modifications for prior fiscal years are reported as an adjustment to non-operating miscellaneous income (expense) in the year realized in the accompanying consolidated statements of activities and changes in net assets.

The System has agreements with third-party payors, which provide for reimbursement to the System at established rates. The primary payor is Medicaid, which accounted for approximately 34% and 36% of total operating revenue for the years ended June 30, 2018 and 2017, respectively. The laws and regulations under which the governmental funded programs operate are complex, subject to frequent change and are open to interpretation. At present, there are significant initiatives underway at both the Federal and New York State levels to eliminate and prevent fraud, waste and abuse in governmental funded programs. Such initiatives include governmental authorities, or their representatives, conducting various types of reviews of organizations that bill governmental payors. These reviews are being conducted to determine if the organization is following appropriate regulations and procedures including having adequate documentation for its billing activities. In cases where an organization's billing documentation or procedures are deemed deficient, the authorities could seek to recover related funds received from the governmental authorities. Therefore, as part of operating under governmental funded programs, there is a possibility that such authorities may perform this type of review of the System. Although no assurances can be given, management believes they have complied with the requirements of the various governmental funded programs they operate under.

Reimbursement rates established by Federal, state and county funding agencies are subject to audits and retroactive adjustments by third-party payors. An estimate of the provision for audit and retroactive adjustments are recorded in the period that the adjustments can be reasonably estimated, with any adjustments to the estimate recorded when the approved rate is received by the funding source.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contributions:

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently 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 as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as increases in unrestricted net assets. Contributed long-lived assets are recorded as unrestricted net assets, unless there is a term requirement or restriction imposed by the donor.

Grant to others:

During the years ended June 30, 2018 and 2017, the Foundation granted \$1,221,539 and \$1,647,917, respectively, to meet the matching requirements for certain programs which require philanthropic support in order to leverage other funding sources. The grant is classified within operating activities in the accompanying consolidated statements of activities and changes in net assets.

Endowments:

New York State Prudent Management of Institutional Funds Act (NYPMIFA or the Act), New York's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), governs the management and investment of funds held by not-for-profit corporations and other institutions. The Board of Trustees of the Foundation has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds which is prudent, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NYPMIFA.

When making a determination to appropriate or accumulate donor-restricted endowment funds, the System considers the following: the duration and preservation of the fund, the purposes of the System and the donor-restricted endowment fund, general economic conditions, the possible effects of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the System, where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund giving due consideration to the effect that such alternatives may have on the System and the investment policies of the System.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Endowments (continued):

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the System while seeking to maintain the purchasing power of the endowment assets. The donor-restricted endowment funds are held in one of its multipurpose investment portfolios. Under this policy, as approved by the Board of Governors, the endowment assets are to be invested in a manner that is intended to achieve returns, net of fees, in excess of a relevant balanced benchmark as defined by the target asset allocation while assuming a moderate level of investment risk.

The Board of Trustees will review the fund's performance at least annually and will appropriate for distribution an amount it feels appropriate. Annual endowment fund spending may not exceed 100% of the fund investment income accumulated since the last distribution plus any investment income not distributed in the preceding years and may not exceed 5% calculated on a twenty rolling quarter average of the net value of the endowment, at its current balance. The Foundation's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or relevant law requires the System to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in temporarily restricted net assets to the extent accumulated gains are available to absorb such loss, otherwise as unrestricted net assets. There were no deficiencies of this nature for the years ended June 30, 2018 and 2017.

Functional expense allocations:

The costs of providing the System's various program services and other activities have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Interest expense:

Interest expense is a recurring cost incurred in normal business operations and, accordingly, is presented within operating expenses in the accompanying consolidated statements of activities and changes in net assets.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Income taxes:

The System (the Corporation and each of its affiliates) is tax exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying consolidated financial statements. The Corporation evaluates its positions taken for income tax purposes, including its continued compliance with the requirements of its exemption under Section 501(c)(3).

It is highly certain that some positions taken for income tax purposes would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The Corporation is not aware of any uncertain tax positions as of June 30, 2018 and 2017.

The tax returns for the years 2015 through 2018 remain subject to examination by the Internal Revenue Service for U.S. Federal tax purposes and also by New York State for state tax purposes.

Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in accounting policy:

During the year ended June 30, 2018, the System elected to change its accounting policy for presentation of investment income or loss, to present investment income equal to its spending policy as a component of operating activities under total revenue and public support. Previously all investment income or loss was presented as part of the increase (decrease) in net assets from non-operating activities. The prior year has been reclassified to conform to the current year presentation. The amount presented with operating activity was \$982,199 and \$966,323 at June 30, 2018 and 2017, respectively.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Recent accounting pronouncements:

The following recently issued accounting pronouncements by the Financial Accounting Standards Board (FASB) represent those considered relevant and potentially significant to the System:

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for the year ending June 30, 2020 for the System. The System has not yet selected a transition method and is currently evaluating the effect that the standard will have on the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides clarified guidance on evaluating whether transactions should be accounted for as contribution (non-reciprocal transactions) within the scope of Topic 958 Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance, and determining whether the contribution is conditional. ASU 2018-08 will be effective for the System for the year ending June 30, 2020. The System is currently evaluating the effect that the standard will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 will require an entity to recognize assets and liabilities for leases that are longer than 12 months including operating leases existing at the date the standard becomes effective. ASU 2016-02 must be adopted by the System for their year ending June 30, 2021, although earlier application is permitted. As disclosed in Note 7, the expected future payments on operating leases are \$2,377,106. The new standard will require the presentation of these leases on the statement of financial position. We do not expect a material impact on the statement of activities and changes in net assets.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Recent accounting pronouncements (continued):

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. ASU 2016-14 represents the first phase of an expected two phase project that will require various modifications to the current financial statement presentation in order to make information more useful for the users of the financial statements. Key changes include expanded disclosures on donor restrictions and board designations of net assets; enhanced disclosures about underwater investments; reducing the net asset classifications from three to two; liquidity disclosure requirement; new reporting requirements for expenses; and change to requirements for determining when restrictions on capital contributions are released. ASU 2016-14 must be adopted by the System for their year ending June 30, 2019, although earlier adoption is permitted. The System is evaluating the potential impact of this new standard on the consolidated financial statements, the disclosure requirements and effective date options for the purpose of developing an implementation strategy.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the System for their year ending June 30, 2020. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. As disclosed under the restricted cash policy footnote above, there is restricted cash of \$1,096,806 at June 30, 2018. The new standard will require the presentation of the statement of cash flows to include the change in total cash and restricted cash.

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 requires that an entity report the service cost component of net periodic pension and postretirement cost in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The remaining components of net benefits costs are required to be presented in the statement of activities separately from the service component and outside a subtotal of revenue from operations, if one is presented. The amendment further allows only the service cost component of net period pension and postretirement costs to be eligible for capitalization. ASU 2017-07 must be adopted by the System for their year ending June 30, 2020, although earlier adoption is permitted. The System is evaluating the potential impact of this new standard on the consolidated financial statements, the disclosure requirements and effective date options for the purpose of developing an implementation strategy.

Subsequent events:

Subsequent events have been evaluated through November 1, 2018, which is the date the consolidated financial statements were available to be issued.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Investments

The following is a summary of investments at June 30, 2018 and 2017:

	2018		
	Cost or Amortized Cost	Unrealized Gains (Losses)	Estimated Fair Value
TIFF Fund	\$ 23,798,161	\$ 42,495	\$ 23,840,656
U.S. government obligations	4,778,030	(95,912)	4,682,118
Beneficial interest in trusts	1,843,345	-	1,843,345
Cash and cash equivalents	365,918	-	365,918
Total	\$ 30,785,454	\$ (53,417)	\$ 30,732,037

	2017		
	Cost or Amortized Cost	Unrealized Gains (Losses)	Estimated Fair Value
TIFF Fund	\$ 20,289,314	\$ 1,686,640	\$ 21,975,954
U.S. government obligations	4,830,360	(5,523)	4,824,837
Beneficial interest in trusts	1,760,600	-	1,760,600
Cash and cash equivalents	271,456	-	271,456
Total	\$ 27,151,730	\$ 1,681,117	\$ 28,832,847

Investment income of the System for the years ended June 30, 2018 and 2017 included the following:

	2018	2017
Interest and dividends	\$ 148,582	\$ 659,217
Realized and unrealized gains	1,484,911	2,066,535
Change in beneficial interest in trusts	82,745	93,784
Custodial fees and related expenses	(27,743)	(43,344)
Total	\$ 1,688,495	\$ 2,776,192

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Investments (Continued)

Investment income is presented in the consolidated statements of activities and changes in net assets for the years ended June 30, 2018 and 2017 as follows:

	2018	2017
Investment income designated for operations	\$ 982,199	\$ 966,323
Investment income net of investment income designated for operations	<u>706,296</u>	<u>1,809,869</u>
	<u>\$ 1,688,495</u>	<u>\$ 2,776,192</u>

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation uses an advisor to manage capital with unique liquidity, risk and spending considerations of non-profit institutions in mind to deliver at least 5% per annum over multiple market cycles, net of inflation and fees.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statements of financial position.

The System had no unfunded commitments related to investments carried at NAV at June 30, 2018 and 2017.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Endowments

The System's endowment assets include those assets that the System must hold in perpetuity or for a donor-specified period(s). Changes in endowment net assets as of and for the years ended June 30, 2018 and 2017 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets as of June 30, 2016	\$ 1,285,411	\$ 2,885,092	\$ 4,170,503
Contributions	-	25,572	25,572
Investment income	576,325	-	576,325
Appropriations	(9,000)	-	(9,000)
Endowment net assets as of June 30, 2017	\$ 1,852,736	\$ 2,910,664	\$ 4,763,400
Contributions	-	517,741	517,741
Investment income	316,324	-	316,324
Appropriations	(429,626)	-	(429,626)
Endowment net assets as of June 30, 2018	<u>\$ 1,739,434</u>	<u>\$ 3,428,405</u>	<u>\$ 5,167,839</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Fair Value of Financial Instruments

The following tables set forth by level, within the fair value hierarchy, the System's assets and liabilities at fair value as of June 30, 2018 and 2017:

	2018			
	Level 1	Level 2	Level 3	Total
Debt Securities:				
U.S. government obligations	\$ -	\$ 4,682,118	\$ -	\$ 4,682,118
Beneficial interest in trusts	-	-	1,843,345	1,843,345
Cash and cash equivalents	365,918	-	-	365,918
Interest rate swap	-	550,396	-	550,396
	<u>\$ 365,918</u>	<u>\$ 5,232,514</u>	<u>\$ 1,843,345</u>	<u>\$ 7,441,777</u>

	2017			
	Level 1	Level 2	Level 3	Total
Debt Securities:				
U.S. government obligations	\$ -	\$ 4,824,837	\$ -	\$ 4,824,837
Beneficial interest in trusts	-	-	1,760,600	1,760,600
Cash and cash equivalents	271,456	-	-	271,456
Interest rate swap	-	22,942	-	22,942
	<u>\$ 271,456</u>	<u>\$ 4,847,779</u>	<u>\$ 1,760,600</u>	<u>\$ 6,879,835</u>

As presented in the consolidated statements of financial position at June 30, 2018 and 2017:

	2018	2017
Investments	\$ 30,732,037	\$ 28,832,847
Less investments valued at net asset value	(23,840,656)	(21,975,954)
Interest rate swap asset (included in prepaid and other assets)	<u>550,396</u>	<u>22,942</u>
Total assets and liabilities at fair value	<u>\$ 7,441,777</u>	<u>\$ 6,879,835</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Fair Value of Financial Instruments (Continued)

During the years ended June 30, 2018 and 2017, the changes in the fair value of the assets carried at fair value measured using significant unobservable inputs (Level 3) were comprised of the following:

	2018	2017
Beginning balance – beneficial interest in trust	\$ 1,760,600	\$ 1,666,816
Change in beneficial interest in trust	<u>82,745</u>	<u>93,784</u>
Ending balance – beneficial interest in trust	<u>\$ 1,843,345</u>	<u>\$ 1,760,600</u>

Note 5. Property and Equipment

At June 30, 2018 and 2017, the System’s property and equipment consisted of the following:

	2018	2017
Land	\$ 1,906,934	\$ 1,906,934
Buildings	58,148,648	56,341,731
Building and land improvements	52,755,705	52,027,427
Furniture, fixtures and equipment	12,810,654	12,109,045
Vehicles	3,662,030	3,276,834
Construction-in-progress	742,100	1,242,960
	<u>130,026,071</u>	<u>126,904,931</u>
Less accumulated depreciation	<u>65,991,451</u>	<u>60,612,456</u>
Property and equipment – net	<u>\$ 64,034,620</u>	<u>\$ 66,292,475</u>

Depreciation expense for the System was \$5,890,567 and \$5,795,367 for the years ended June 30, 2018 and 2017, respectively.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Bonds, Notes Payable and Lines of Credit

At June 30, 2018 and 2017, bonds, notes payable and lines of credit of the System consisted of the following:

	2018	2017
<p>The System has an \$18 million revolving line of credit with a syndicate of banks led by KeyBank, N.A. at a variable interest rate of the one month Eurodollar rate (2.125% at June 30, 2018) plus 3.5%, or prime (5% at June 30, 2018) plus 2.5% at the System's sole discretion. The revolving line is limited to the lesser of \$18 million maximum or 80% of the eligible accounts receivable, and is due to mature August 2019 with the intent of continuous renewal. Essentially all of the unrestricted net assets of the System are collateralized in support of this revolving line of credit. All entities of the System are jointly and severally liable for this revolving line of credit.</p>	\$ 15,000,000	\$ 12,000,000
<p>Note payable to a syndicate of banks led by KeyBank, N.A. in an original amount of \$33 million. Principal is payable at a flat \$110,000 per month plus interest at a variable rate based on the one month Eurodollar rate (2.125% at June 30, 2018) plus 3.5%, or prime (5% at June 30, 2018) plus 2.5% at the System's sole discretion. \$21 million of this term note is swapped to a fixed rate of 5.12%. A final payment of \$18,889,858 is due August 2021; however, the intent is to term out the final balloon payment at that time. Essentially all of the unrestricted net assets of the System are collateralized in support of this term note. All entities of the System are jointly and severally liable for this note.</p>	26,760,000	28,080,000
<p>Bond payable with DASNY with an interest rate of 4.9%. Repayments are due monthly in accordance with a fixed schedule (with monthly payments ranging from approximately \$12,000 to \$38,000) through June 2038. The costs from this issue are incrementally reimbursable via the New York State Office of Children and Family Services per diem rates attached to the specific services residing in the renovated buildings. Special reimbursement intercept provisions for unusual circumstances enhance the security of this issue, in addition to a mortgage on the real property of the Monroe Avenue Campus, Scottsville Campus, and Bath Campus.</p>	5,846,185	6,011,008

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Bonds, Notes Payable and Lines of Credit (Continued)

	2018	2017
<p>Bond payable with the Seneca County Industrial Development Agency (SCIDA) and three temporary credit facilities that were arranged with a bank. Payments are due quarterly based on a predetermined amortization schedule through July 2020 (with quarterly payments ranging from \$120,000 to \$165,000). Interest is variable based on weekly market conditions for tax-exempt debt. The interest rate at June 30, 2017 was 0.75%. The bond payable is secured by the Varick Campus. The System is also contingently liable on a standby letter of credit, which guarantees repayment of the bond payable in the amount of \$1,333,031 at June 30, 2018, which expires April 2019.</p>	\$ 1,305,000	\$ 1,885,000
<p>The bond payable to New York State Office of Mental Health represents proceeds from Medical Care Facilities Finance Agency (MCFFA) Mental Health Services Facilities Bonds. The bonds bear interest at 7.57% and are due in semi-annual installments of principal and interest of \$323,000 through December 2018. The bonds are secured by a mortgage on a portion of the Sennett property.</p>	307,698	898,078
<p>The bond payable to New York State Office of Mental Health represents proceeds from Medical Care Facilities Finance Agency (MCFFA) Mental Health Services Facilities Bonds. The bonds bear interest at 7.2% and are due in semi-annual installments of principal and interest of \$86,500 through December 2018. The bonds are secured by substantially all of Stillwater Children's Center's land, buildings and personal property of the facility.</p>	193,569	357,215
<p>Note payable to KeyBank, N.A. at a variable per annum interest rate based on the prime rate (4.25% at June 30, 2018) less 1%, which was swapped to a fixed rate (5.4% at June 30, 2017). Principal is payable in equal monthly installments of \$3,637 through October 2022. The note is secured by the Lake Road property.</p>	189,106	232,746
<p>Note payable to KeyBank, N.A. at a variable per annum interest rate based on the prime rate (5% at June 30, 2018) less 1%, which was swapped to a fixed rate (5.4% at June 30, 2017). Principal is payable in equal monthly installments of \$2,982 through October 2022. The note is secured by the Chestnut Ridge Road property.</p>	155,076	190,862

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Bonds, Notes Payable and Lines of Credit (Continued)	2018	2017
Note payable to KeyBank, N.A. at a variable per annum interest rate based on the prime rate (5% at June 30, 2018) less 1%, which was swapped to a fixed rate of 5.4%. Principal is payable in equal monthly installments of \$2,911 through October 2022. The note is secured by the Farmington Road property.	\$ 151,378	\$ 186,311
Note payable to KeyBank, N.A. at a fixed per annum interest rate of 9.04%. Principal is payable in equal monthly installments of \$2,219 through May 2021. The note is secured by the Strickler Road property.	77,661	104,288
Notes payable paid in full during 2018.	-	84,715
	49,985,673	50,030,223
Less deferred financing costs	(749,731)	(821,629)
	\$ 49,235,942	\$ 49,208,594

Bonds, notes payable and lines of credit with KeyBank, N.A. are subject to various financial covenants. The System was in compliance with all covenants at June 30, 2018.

The aggregate annual maturities for bonds, notes payable and lines of credit at June 30, 2018 are due as follows:

<u>Years ending June 30,</u>	
2019	\$ 6,565,642
2020	17,304,373
2021	1,672,159
2022	19,317,753
2023	251,511
Thereafter	<u>4,874,235</u>
Total	<u>\$ 49,985,673</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Operating Leases

The System leases property under operating lease arrangements which require various minimum rental payments through fiscal 2026. Certain leases require the System to provide insurance on the leased property. Future minimum payments under operating leases at June 30, 2018 are as follows:

Years ending June 30, 2018

2019	\$	655,332
2020		540,336
2021		333,526
2022		170,661
2023		159,313
Thereafter		<u>477,938</u>
Total	\$	<u>2,337,106</u>

Total rental expense included in the accompanying consolidated statements of activities and changes in net assets for the years ended June 30, 2018 and 2017 amounted to \$803,478 and \$714,625, respectively, and is included in occupancy expense in the consolidated statements of functional expenses.

Note 8. Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 and 2017 consist of the following:

	2018	2017
Children's Activities	\$ 153,916	\$ 691,903
Advanced Education	598,051	662,793
Enhanced Services	12,695,161	13,255,050
Capital Improvements	<u>821,029</u>	<u>799,528</u>
	<u>\$ 14,268,157</u>	<u>\$ 15,409,274</u>

Permanently restricted net assets at June 30, 2018 and 2017 consist of the following:

	2018	2017
Endowments (Note 3)	\$ 3,428,405	\$ 2,910,664
Beneficial Interest in Trust	<u>1,278,052</u>	<u>1,216,850</u>
	<u>\$ 4,706,457</u>	<u>\$ 4,127,514</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Assets Released From Restrictions

Net assets during the years ended June 30, 2018 and 2017 released from donor restrictions by incurring expenses satisfying the restrictions are as follows:

	2018	2017
Children's Activities	\$ 875,788	\$ 2,081,190
Advanced Education	97,942	57,431
Enhanced Services	8,527,183	9,248,851
Capital Improvements	25,160	7,878
	<u>\$ 9,526,073</u>	<u>\$ 11,395,350</u>

Note 10. Employee Retirement Plans

Defined benefit plan:

The System has a noncontributory defined benefit plan (the Plan), which covers substantially all employees of the System. The Plan provides benefits based upon compensation, age and years of service. The System's funding policy is to meet the minimum funding requirements required by the Employee Retirement Income Security Act of 1974 (ERISA).

Effective May 31, 2012, the Plan was amended to freeze benefit accruals for service and transition credits and prohibit new employees from entering the Plan. Participants will continue to earn years of service to satisfy vesting requirements and interest credits will be earned on participants' cash accumulation accounts.

	2018	2017
Actuarial assumptions:		
Weighted average assumptions used to determine benefit obligations:		
Discount rate	4.90%	4.79%
Expected future salary increase	N/A	N/A
Weighted average assumptions used to determine net periodic benefit costs:		
Discount rate	4.90%	4.79%
Expected future salary increase	N/A	N/A
Expected return on plan assets	8.00%	8.00%
Pension expense	<u>\$ 306,802</u>	<u>\$ 159,699</u>
Employer contributions	<u>\$ 361,224</u>	<u>\$ 1,620,055</u>
Benefits paid	<u>\$ 2,843,960</u>	<u>\$ 2,672,539</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Employee Retirement Plans (Continued)

Defined benefit plan (continued):

The System expects to contribute approximately \$800,000 to the Plan during the year ending June 30, 2019.

The following table sets forth the Plan's funded status at June 30, 2018 and 2017:

	2018	2017
Projected benefit obligations	\$ 35,915,237	\$ 37,395,453
Fair value of plan assets	31,018,883	30,864,207
Funded status	\$ (4,896,354)	\$ (6,531,246)
Accumulated benefit obligations	\$ 35,915,237	\$ 37,395,453

The investment policies and individual decisions are made for the exclusive benefit of the Plan participants, consistent with ERISA and regulations thereunder. Total long-term investment returns are optimized against risk in a manner that reasonably protects benefit requirements and timely cash payments. The policy establishes target allocations for diversification and investment performance over a time line that mirrors liabilities. It also limits exposure to quality and concentration risks.

The Plan's weighted-average asset allocations at June 30, 2018 and 2017, by asset category, are as follows:

	2018		
	Actual Allocation	Percentage Allocation	Target % Allocation
Mutual funds – money market funds	\$ 233,286	1%	-%
Mutual funds – fixed income	9,155,470	30	35
Mutual funds – equity	20,242,249	65	60
Mutual funds – alternatives	1,387,878	4	5
Total	\$ 31,018,883	100%	100%
	2017		
	Actual Allocation	Percentage Allocation	Target % Allocation
Mutual funds – money market funds	\$ 736,985	2%	-%
Mutual funds – fixed income	9,866,643	32	35
Mutual funds – equity	18,841,897	61	60
Mutual funds – alternatives	1,418,682	5	5
Total	\$ 30,864,207	100%	100%

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Employee Retirement Plans (Continued)

Defined benefit plan (continued):

The long-term rate of return expectation is 8%. Asset allocations are aligned with long-term, independently determined, expected segment performance to ensure a reasonable expectation of achieving that return.

The following benefit payments, which reflect expected future service at June 30, 2018, are expected to be paid as follows:

<u>Years ending June 30,</u>	
2019	\$ 3,147,415
2020	3,095,146
2021	3,249,116
2022	3,048,831
2023	2,722,828
2024 - 2028	<u>12,470,333</u>
Total	<u>\$ 27,733,669</u>

The following tables present the System's defined benefit plan's assets at June 30, 2018 and 2017 that are measured at fair value on a recurring basis. The hierarchy and inputs to valuation techniques to measure fair value of plan assets are the same as outlined in Note 1 of the consolidated financial statements:

	2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Money market funds	\$ -	\$ 233,286	\$ -	\$ 233,286
Fixed income	4,066,892	5,088,578	-	9,155,470
Equity	3,151,633	17,090,616	-	20,242,249
Alternatives	1,387,878	-	-	1,387,878
Total mutual funds	<u>\$ 8,606,403</u>	<u>\$ 22,412,480</u>	<u>\$ -</u>	<u>\$ 31,018,883</u>
	2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Money market funds	\$ -	\$ 736,985	\$ -	\$ 736,985
Fixed income	4,409,434	5,457,209	-	9,866,643
Equity	3,040,744	15,801,153	-	18,841,897
Alternatives	1,418,682	-	-	1,418,682
Total mutual funds	<u>\$ 8,868,860</u>	<u>\$ 21,995,347</u>	<u>\$ -</u>	<u>\$ 30,864,207</u>

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Employee Retirement Plans (Continued)

Defined contribution plan:

The System offers a voluntary 403(b) plan, which is available to all employees of the System. The System matches a percentage of employee contributions into the plan. The employer match that is made into the plan is at the discretion of the System. The System's matching contributions to the 403(b) plan were \$1,844,514 and \$1,797,196 for the years ended June 30, 2018 and 2017, respectively.

Deferred compensation plan:

The System has an unfunded deferred compensation plan, which permits certain eligible employees to defer a portion of their compensation. The obligation under this plan, which is reported within accrued expenses and other liabilities at June 30, 2018 and 2017, totaled \$-0- and \$970,500, respectively.

Other postretirement benefits:

Hillside Children's Center (the "Center") provides postretirement health care benefits to a select group of employees (once employed by an affiliated entity prior to acquisition by the Center) who retire after age 62 with 10 or more years of service or after age 55 with 20 or more years of service. The Center continues full coverage for the employee at the Center's expense. For those retirees separating from employment prior to January 1, 1997, the employer covers full premiums throughout the retired employee's lifetime. For employees retiring after that date, the Center covered full premium expenses through 1997, 50% of the increase in premiums in 1998 and, thereafter, the retiree covered will be responsible for all additional premium increases. Life insurance benefits equal to 25% of final annual rate of pay, but not more than \$25,000, are provided for employees who retire after age 62, with five or more years of service, or after age 55, with 20 or more years of service. The life insurance benefit is available only to employees hired before January 1, 1989. The accrued cost recognized in the consolidated statements of financial position was \$438,919 and \$464,949 at June 30, 2018 and 2017, respectively.

Note 11. Commitments and Contingencies

Legal matters:

The System is a defendant in various legal actions arising in the normal course of business. It is management's opinion that the actions are either without merit or that settlements which arise, if any, will be covered by insurance, or not have a material impact on the System's operations.

Self-insurance:

The System is self-insured for a portion of its disability claims. There is no liability recorded as of June 30, 2018 and 2017 related to disability claims because there are no material claims outstanding.

HILLSIDE FAMILY OF AGENCIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Commitments and Contingencies (Continued)

Self-insurance (continued):

The System self-insures workers' compensation benefits for its employees and health care benefits for its participating employees and dependents. The System maintains excess insurance coverage for certain major claims. The System's related liabilities and costs as of and for the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Workers' compensation expense (including assessments and administrative fees)	\$ 1,439,801	\$ 757,744
Workers' compensation liability	\$ 2,940,306	\$ 3,109,042
Health insurance expense	\$ 8,764,000	\$ 8,645,784
Health insurance liability	\$ 595,100	\$ 669,900

The System's liabilities noted above are recorded within accrued expenses and other liabilities in the consolidated statements of financial position. The System's expenses noted above are recorded within employee benefits in the consolidated statements of functional expenses.

The New York State Workers' Compensation Board required the System to obtain a bond in the amount of approximately \$2,000,000 at June 30, 2018. This bond was provided by the System's excess workers' compensation insurer, who required that the System obtain an irrevocable letter of credit in the amount of \$2,000,000 at June 30, 2018 which expires February 2019.

Note 12. Related Party Transactions

The System uses a centralized cash operation in order to share efficiencies in cash transactions, as well as access to the System's line of credit as needed. At any point in time, affiliates may be in a positive or negative cash position related to other affiliates in the System, represented as net interaffiliate payable or receivable.

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**INDEPENDENT AUDITOR'S REPORT ON THE
CONSOLIDATING SUPPLEMENTARY INFORMATION**

To the Audit Committee
Hillside Family of Agencies

We have audited the consolidated financial statements of Hillside Family of Agencies and its affiliated entities as of and for the year ended June 30, 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information presented on pages 34 and 35 is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

As discussed in Note 1 to the financial statements, the System elected to change the presentation of investment income in its statement of activities and changes in net assets.

Dopkins & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 1, 2018

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATING INFORMATION FOR THE STATEMENT OF FINANCIAL POSITION

June 30, 2018

	Hillside Children's Center	Snell Farm Children's Center	Stillwater Children's Center	Hillside Work- Scholarship Connection	Hillside Children's Foundation	Hillside Family of Agencies (Parent)	Eliminations Debit (Credit)	Consolidated
ASSETS								
Cash	\$ 54,065	\$ 1,500	\$ 1,200	\$ -	\$ -	\$ 455,783	\$ -	\$ 512,548
Restricted cash	-	-	-	-	-	1,096,806	-	1,096,806
Restricted assets held in trust	244,707	50,144	-	-	-	-	-	294,851
Receivables — net	19,283,266	633,713	180,737	3,527,658	51,719	290,270	-	23,967,363
Interaffiliate receivable - net	-	-	-	785,885	3,814,811	33,556,808	(38,157,504)	-
Investments	5,595,128	-	-	-	25,136,909	1,950,308	(1,950,308)	30,732,037
Prepaid expenses and other assets	707,072	33,010	5,608	7,037	70,852	4,928,622	-	5,752,201
Property — net	56,414,701	2,800,709	1,453,704	22,706	1,250,019	817,975	1,274,806	64,034,620
Beneficial interest in net assets of Hillside Children's Foundation	7,808,341	22,867	-	6,912,669	-	15,333,330	(30,077,207)	-
Total assets	\$ 90,107,280	\$ 3,541,943	\$ 1,641,249	\$ 11,255,955	\$ 30,324,310	\$ 58,429,902	\$ (68,910,213)	\$ 126,390,426
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable	\$ 3,167,309	\$ 30,621	\$ 97,818	\$ 324,723	\$ 137,120	\$ 1,618,755	\$ -	\$ 5,376,346
Accrued expenses and other liabilities	5,413,596	181,119	130,405	527,111	109,983	7,098,286	-	13,460,500
Refundable advances	5,009,856	-	44,248	363	-	-	-	5,054,467
Interaffiliate payable - net	36,080,244	1,824,751	252,509	-	-	-	(38,157,504)	-
Bonds, notes payable, and lines of credit	19,755,264	1,279,759	440,767	-	-	27,760,152	-	49,235,942
Obligations under capital leases	1,171,900	-	-	-	-	-	-	1,171,900
Pension obligation	-	-	-	-	-	4,896,354	-	4,896,354
Postretirement benefit obligation	438,919	-	-	-	-	-	-	438,919
Total liabilities	71,037,088	3,316,250	965,747	852,197	247,103	41,373,547	(38,157,504)	79,634,428
Net Assets								
Unrestricted	10,696,558	202,826	675,502	3,491,089	11,667,886	1,723,025	(675,502)	27,781,384
Temporarily restricted	5,421,575	22,867	-	6,662,920	13,702,864	13,828,691	(25,370,760)	14,268,157
Permanently restricted	2,952,059	-	-	249,749	4,706,457	1,504,639	(4,706,447)	4,706,457
Total net assets	19,070,192	225,693	675,502	10,403,758	30,077,207	17,056,355	(30,752,709)	46,755,998
Total liabilities and net assets	\$ 90,107,280	\$ 3,541,943	\$ 1,641,249	\$ 11,255,955	\$ 30,324,310	\$ 58,429,902	\$ (68,910,213)	\$ 126,390,426

HILLSIDE FAMILY OF AGENCIES

CONSOLIDATING INFORMATION FOR THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2018

	Hillside Children's Center	Snell Farm Children's Center	Stillwater Children's Center	Hillside Work- Scholarship Connection	Hillside Children's Foundation	Hillside Family of Agencies (Parent)	Eliminations Debit (Credit)	Consolidated
Revenue and public support:								
Program-related revenue:								
NYS Department of Children and Family Services	\$ 50,112,789	\$ 4,363,142	\$ -	\$ 3,591,672	\$ -	\$ -	\$ -	\$ 58,067,603
NYS Office of Mental Health	26,608,831	-	3,743,816	-	-	-	-	30,352,647
NYS Education Department	24,066,830	1,349	497	5,285,845	-	-	-	29,354,521
NYS OPWDD	9,802,939	-	-	-	-	-	-	9,802,939
NYS OASAS	205,192	-	-	-	-	-	-	205,192
NYS DOL	-	-	-	-	-	-	-	-
Maryland Prince George County	-	-	-	1,375,000	-	-	-	1,375,000
Capital District Education Department	-	-	-	90,000	-	-	-	90,000
Private billings	6,553,803	-	105,396	-	-	-	-	6,659,199
Government and agency grants	2,557,455	51,714	16,641	157,749	-	-	-	2,783,559
United Way	555,111	-	-	80,000	350,000	-	-	985,111
Total program-related revenue	120,462,950	4,416,205	3,866,350	10,580,266	350,000	-	-	139,675,771
Miscellaneous other operating revenue	2,749,301	22,822	6,638	100,609	-	184,446	-	3,063,816
Public support — contributions and grants	-	-	-	-	8,310,695	-	-	8,310,695
Event income	-	-	-	-	294,132	-	-	294,132
Investment income designated for operations	-	-	-	-	982,199	-	-	982,199
Total public support	-	-	-	-	9,587,026	-	-	9,587,026
Total revenue and public support	123,212,251	4,439,027	3,872,988	10,680,875	9,937,026	184,446	-	152,326,613
Operating expenses:								
Program services:								
Children and family services	93,877,830	4,036,941	3,538,290	14,890,755	-	-	(3,752,714)	112,591,102
Educational services	21,874,639	-	-	-	-	-	-	21,874,639
Total program services	115,752,469	4,036,941	3,538,290	14,890,755	-	-	(3,752,714)	134,465,741
Supporting services:								
Management and general	14,994,179	533,671	440,545	2,059,174	220,693	39,512,362	(38,889,558)	18,871,066
General fundraising	-	-	-	-	1,911,573	-	-	1,911,573
Total supporting services	14,994,179	533,671	440,545	2,059,174	2,132,266	39,512,362	(38,889,558)	20,782,639
Grants to others	-	-	-	-	1,221,539	-	-	1,221,539
Total operating expenses	130,746,648	4,570,612	3,978,835	16,949,929	3,353,805	39,512,362	(42,642,272)	156,469,919
Grants from (to) affiliates for operating activities, including assets released from restrictions	6,287,052	17,029	5,000	6,556,313	(8,743,395)	38,492,499	(42,614,498)	-
Increase (decrease) from operating activities	(1,247,345)	(114,556)	(100,847)	287,259	(2,160,174)	(835,417)	27,774	(4,143,306)
Non-operating activities:								
Investment income net of investment income designated for operation:	11,883	1,662	-	-	689,511	(70,477)	73,717	706,296
Pension-related changes other than net periodic pension cost	827,317	25,175	-	97,456	12,581	111,911	-	1,074,440
Change in beneficial interest in net assets of Hillside Children's Foundation	1,312,357	4,016	2,128	6,989,061	-	(766,243)	(7,541,319)	-
Net assets released from restrictions	(1,138,897)	(5,000)	(5,000)	(7,849,859)	-	-	8,998,756	-
Miscellaneous	(3,268,154)	8,879	2,228	32,559	645	183,558	-	(3,040,285)
Increase (decrease) from non-operating activities	(2,255,494)	34,732	(644)	(730,783)	702,737	(541,251)	1,531,154	(1,259,549)
Change in net assets	(3,502,839)	(79,824)	(101,491)	(443,524)	(1,457,437)	(1,376,668)	1,558,928	(5,402,855)
Net assets — Beginning of year	22,573,031	305,517	776,993	10,847,282	31,534,644	18,433,023	(32,311,637)	52,158,853
Net assets — End of year	\$ 19,070,192	\$ 225,693	\$ 675,502	\$ 10,403,758	\$ 30,077,207	\$ 17,056,355	\$ (30,752,709)	\$ 46,755,998