

**The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2013 and 2012

**The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)**

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Independent Auditor's Report

To the Board of Directors
The Children's Center of Hamden, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Children's Center of Hamden, Inc., which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Center of Hamden, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the schedules of functional expenses is presented for purposes of additional analysis of the financial statements and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 on our consideration of The Children's Center of Hamden, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Children's Center of Hamden, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Glastonbury, Connecticut
November 5, 2013

**The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)**

**Statements of Financial Position
June 30, 2013 and 2012**

Assets

	2013	2012
Assets:		
Cash	\$ 756,400	\$ 914,449
Accounts receivable, net of allowance for doubtful accounts of \$121,750 and \$85,577	1,504,005	1,363,871
Prepaid expenses	178,118	24,511
Supplies inventory	13,968	14,306
Land, buildings and equipment, net	1,970,759	2,157,668
 Total assets	 \$ 4,423,250	 \$ 4,474,805

Liabilities and Net Assets

Liabilities:		
Deferred bonding revenue	\$ 350,616	\$ 402,290
Deferred revenue	20,561	13,544
Accrued salaries and other expenses	1,141,795	1,177,261
Accounts payable	255,739	389,046
Due to Parent	284,520	-
Accrued benefit plans payable	274,963	226,191
 Total liabilities	 2,328,194	 2,208,332
 Commitments and contingencies		
Net assets:		
Unrestricted	2,040,971	2,210,589
Temporarily restricted	54,085	55,884
Total net assets	2,095,056	2,266,473
 Total liabilities and net assets	 \$ 4,423,250	 \$ 4,474,805

See Notes to Financial Statements.

The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)

Statements of Activities
Years Ended June 30, 2013 and 2012

	2013	2012
Changes in unrestricted net assets:		
Public support and revenue:		
Public support:		
Grants from foundations and government	\$ 5,869,618	\$ 5,934,404
Contributions	69,101	66,187
Total public support	5,938,719	6,000,591
Revenue:		
Program service fees:		
Residential	6,373,260	6,212,541
Education	3,624,075	3,384,772
Day treatment	623,616	662,714
Outpatient counseling	400,886	395,734
Interest income	5,973	4,068
Gain on sale of equipment	500	1,500
Other	1,543	16,035
Total revenue	11,029,853	10,677,364
Net assets released from restrictions:		
Satisfaction of program restrictions	51,081	70,588
Total unrestricted public support and revenue	17,019,653	16,748,543
Expenses:		
Residential	10,220,696	9,962,430
Education	3,307,588	3,210,268
Community based services	2,306,673	2,313,822
Program services expenses	15,834,957	15,486,520
Management and general	1,425,941	1,410,627
Bonding	116,893	207,122
Development and other services	153,588	177,725
Supporting services expenses	1,696,422	1,795,474
Total expenses	17,531,379	17,281,994
Distributions of investment income from Parent	342,108	338,261
Decrease in unrestricted net assets	(169,618)	(195,190)
Changes in temporarily restricted net assets:		
Contributions	49,282	78,675
Net assets released from restrictions:		
Satisfaction of program restrictions	(51,081)	(70,588)
Increase (decrease) in temporarily restricted net assets	(1,799)	8,087
Change in net assets	(171,417)	(187,103)
Net assets, beginning of year	2,266,473	2,453,576
Net assets, end of year	\$ 2,095,056	\$ 2,266,473

See Notes to Financial Statements.

The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)

Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Operating activities:		
Change in net assets	\$ (171,417)	\$ (187,103)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debts	67,224	94,289
Gain on sale of equipment	(500)	(1,500)
Depreciation and amortization	360,656	445,931
Distributions from Parent	(342,108)	(338,261)
Deferred bonding revenue	(116,893)	(207,122)
Changes in operating assets and liabilities:		
Accounts receivable	(207,358)	102,232
Prepaid expenses	(153,607)	3,560
Supplies inventory	338	(247)
Deferred revenue	7,017	13,544
Accrued salaries and other expenses	(35,466)	(145,921)
Accounts payable	(133,307)	147,504
Accrued benefit plans payable	48,772	22,580
Net cash used in operating activities	(676,649)	(50,514)
Investing activities:		
Purchase of land, buildings and equipment	(173,747)	(245,690)
Proceeds from the sale of equipment	500	1,500
Net cash used in investing activities	(173,247)	(244,190)
Financing activities:		
Distributions from Parent	342,108	338,261
Due to Parent	284,520	-
Bonding received for capital expenditures	65,219	28,285
Proceeds from short-term borrowings	1,720,000	517,000
Repayment of note payable and short-term borrowings	(1,720,000)	(517,000)
Net cash provided by financing activities	691,847	366,546
Net increase (decrease) in cash	(158,049)	71,842
Cash, beginning of year	914,449	842,607
Cash, end of year	\$ 756,400	\$ 914,449
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ 1,936	\$ 280

See Notes to Financial Statements.

The Children's Center of Hamden, Inc.
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Notes to Financial Statements

Note 1 - Organization and summary of significant accounting policies:

Organization:

The Children's Center of Hamden, Inc. (the "Organization") is a private social service agency. The Organization provides residential, educational, day treatment, case management and substance abuse services to children, and counseling services to parents, through its facility in Hamden, Connecticut.

The Organization is licensed by the Department of Children and Families and Department of Public Health, approved by the Department of Education, and is accredited by the Joint Commission on Accreditation of Healthcare Organizations.

The Organization is an operating subsidiary of The Children's Center (the "Parent") and is responsible for operating the Hamden campus.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The accompanying financial statements report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Organization or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Organization and stipulate the use of income and/or appreciation as temporarily restricted based on donor-imposed stipulations or by operation of law. There were no permanently restricted net assets at June 30, 2013 and 2012.

Allowances for receivables:

Allowances for accounts receivable are determined by management based on an assessment of their collectibility. Management considers past history, current economic conditions and overall viability of the third party. Receivables are written-off only when management believes amounts will not be collected. Receivables are considered past due based on the invoice date.

Supplies inventory:

Inventory consists of food and dietary supplies valued at the lower of cost or market, determined on the first-in, first-out basis.

The Children's Center of Hamden, Inc.
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Notes to Financial Statements

Revenue recognition:

Grants and deferred revenue:

The Organization receives various grants, principally from governmental agencies, to provide residential, educational, case management and substance abuse services to children, and counseling services to parents. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenue from grants are deemed earned and recognized in the statements of activities when expenditures are made for the purpose specified. Revenue is deferred if the Organization has received grants, but the funds have not yet been expended for the purpose specified.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the support is reported as unrestricted.

Program service fees:

Program service fees are recognized as revenue in the period in which the related services are provided.

Contributed land, buildings and equipment:

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives. As a result, contributions of property and equipment, and assets contributed to acquire property and equipment, are recorded as temporarily restricted support.

Donated materials:

Donated materials are recognized as contributions in the accompanying financial statements at their estimated value on the date of receipt.

Land, buildings and equipment:

The Organization capitalizes all expenditures for movable items over \$500 and building improvements over \$5,000 with a useful life greater than three years, depending on the type of program, per diem or grant funded. Purchased property and equipment is recorded at cost on the date of acquisition or in the case of gifts, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective asset.

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Notes to Financial Statements

Estimated useful lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings, improvements and land improvements	7 - 40 years
Vehicles, computers and software	3 - 5 years
Equipment and furnishings	5 - 10 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities.

Construction in progress accumulates costs on various projects as work progresses. When a project is complete, the asset is placed in service and depreciated over its useful life.

The Organization reviews long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of an asset may not be recoverable. There were no impairment losses related to long-lived assets as of June 30, 2013 and 2012.

Income taxes:

The Organization is exempt from Federal and state corporate income taxes under the provisions of Internal Revenue Code (the "Code") Section 501(c)(3).

The Organization has no unrecognized tax benefits at June 30, 2013 or 2012. The Organization's Federal and state information returns prior to fiscal year 2010 are closed. The Organization believes it is in compliance with all laws and regulations, but management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**The Children's Center of Hamden, Inc.
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Notes to Financial Statements

Subsequent events:

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through November 5, 2013, which is the date the financial statements were available to be issued.

Note 2 - Concentrations:

Cash:

At times, the Organization maintains bank accounts in commercial banks with balances that exceed the Federal insurance limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk since the balances are maintained at large financial institutions.

Funding source concentration:

The Organization receives a substantial amount of its grants and program service fees from the State of Connecticut Department of Children and Families ("DCF"). If a significant reduction in the level of this support were to occur, it could have a significant effect on the Organization's programs and activities. DCF provided over 10% of the Organization's total revenue for the years ended June 30, 2013 and 2012 as follows:

	June 30, 2013		June 30, 2012	
	Receivables	Revenue	Receivables	Revenue
Amount related to DCF	\$ 407,329	\$ 9,783,559	\$ 375,774	\$ 9,627,808

Collective bargaining agreement:

The Organization has a concentration of labor subject to a collective bargaining agreement. At June 30, 2013 and 2012, approximately 56% of the labor force is covered by this agreement. The agreement expired on June 30, 2013. A new agreement was reached on October 31, 2013 which expires on June 30, 2015.

Note 3 - Land, buildings and equipment:

At June 30, 2013 and 2012, land, buildings and equipment consisted of the following:

	2013	2012
Land and improvements	\$ 371,676	\$ 364,276
Buildings and improvements	9,513,687	9,468,781
Equipment, furnishings, computers and software	1,734,357	1,708,974
Vehicles	45,812	27,642
Construction in progress	78,226	10,640
	11,743,758	11,580,313
Less accumulated depreciation and amortization	9,772,999	9,422,645
	\$ 1,970,759	\$ 2,157,668

Depreciation and amortization expense was \$360,656 and \$445,931 for the years ended June 30, 2013 and 2012, respectively.

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Notes to Financial Statements

Note 4 - Line of credit:

The Organization has an agreement with Bank of America for a revolving line of credit which provides borrowings up to \$1,000,000. Borrowings under the line of credit bear interest at LIBOR plus the applicable margin for LIBOR rate loans and are collateralized by specified assets of the Parent. The agreement expires in January 2014. There was no outstanding balance on the line of credit at June 30, 2013 and 2012. Interest expense incurred during the years ended June 30, 2013 and 2012 was \$1,936 and \$280, respectively.

Note 5 - Deferred bonding revenue:

The Organization has received various grant awards from the DCF for repairs and renovations of the Organization's facilities. In conjunction with each grant award, the State of Connecticut places a ten year lien, equal to the amount of the award received on the property. The liens expire at various dates through 2022. The value of each lien is reduced by 10% annually. At June 30, 2013 and 2012, the liens amounted to \$350,616 and \$402,290, respectively, and are included in deferred bonding revenue on the statements of financial position. The current portion of the deferred bonding revenue as of June 30, 2013 and 2012 was \$90,605 and \$116,900, respectively. Deferred bonding revenue of \$116,893 and \$207,122 was recognized during the years ended June 30, 2013 and 2012, respectively, and is included in public support in the statements of activities.

Note 6 - Donated materials:

During the years ended June 30, 2013 and 2012, the Organization received \$15,132 and \$20,170 of donated materials, respectively, which are included in contributions in the statements of activities.

Note 7 - Temporarily restricted net assets:

At June 30, 2013 and 2012, temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Specific programs and events	\$ 54,085	\$ 55,884

Note 8 - Operating leases:

The Organization leases certain vehicles and equipment under noncancelable operating leases expiring at various times through July 2016. Future minimum lease payments due under the terms of these leases in each of the years subsequent to June 30, 2013 are as follows:

<u>Year Ending June 30.</u>	
2014	\$ 108,444
2015	74,304
2016	15,888
Total	\$ 198,636

Rental expense under cancelable and noncancelable operating leases recognized in the accompanying statements of activities was \$127,508 and \$126,855 for the years ended June 30, 2013 and 2012, respectively.

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Notes to Financial Statements

Note 9 - Retirement benefits:

The Organization's certified academic personnel participate in the Connecticut State Teachers' Retirement System, a contributory defined benefit plan established under Chapter 167(a) of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. The Organization is not legally responsible to, and does not, contribute to this plan. Teachers are also eligible to participate in a contributory tax sheltered annuity program which provides for employee contributions of up to 20% of wages, subject to Federal limits.

All other employees are eligible to participate in a contributory tax sheltered annuity program which provides for employee contributions of up to 20% of wages, subject to Federal limits.

The Organization maintains a profit-sharing plan ("401(k) Plan") under Section 401(k) of the Code. The 401(k) Plan covers substantially all Organization employees, other than certified academic personnel qualified to participate in the Connecticut State Teachers' Retirement system, and employees under 21 years of age. Under the terms of the 401(k) Plan, participants can contribute up to 20% of their compensation, subject to Federal limitations. The Organization may make discretionary contributions, as well as discretionary matching contributions to the 401(k) Plan. Participants are immediately vested in their contributions, and become fully vested in the Organization's contributions after five years. The Organization contributed \$164,368 and \$191,106 to the 401(k) Plan during the years ended June 30, 2013 and 2012, respectively.

The Parent also maintains a supplemental retirement plan for key management employees who meet the plan's eligibility requirements. There were contributions to the plan from the Organization during the years ended June 30, 2013 and 2012 of \$59,411 and \$60,589, respectively. The retirement plan is in conformity with Code Section 457(b).

Note 10 - Related party transactions:

An executive vice president of the Organization's insurance agency is also a member of the Organization's volunteer Board of Directors. The insurance agency assisted the Organization with acquiring property/casualty insurance and employee benefit related insurance.

During the years ended June 30, 2013 and 2012, the Organization received distributions from the Parent of \$342,108 and \$338,261, respectively. The amount of the distribution represents the gains from the Parent's temporarily and permanently restricted investments.

During the year ended June 30, 2013, the Parent advanced \$284,520 from the Parent's investment account. This amount was repaid in fiscal year 2013.

**The Children's Center of Hamden, Inc.
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Notes to Financial Statements

Note 11 - Self insurance:

The Organization self insures for coverage of certain future potential lawsuits. The total amount set aside for potential claims as of June 30, 2013 and 2012 is \$300,000, and is included in accrued salaries and other expenses in the accompanying statements of financial position.

Note 12 - Contingencies:

Certain claims and lawsuits arising in the ordinary course of business have been filed or are pending against the Organization. In the opinion of management, all such matters are without merit, or if disposed of unfavorably, would not have material adverse effects on the Organization's financial position or results of operations.

The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)

Schedule of Functional Expenses
Year Ended June 30, 2013

PROGRAM SERVICES

	Residential	Education	Community Based Services	Total Program Services
Salaries	\$ 5,877,596	\$ 1,748,821	\$ 1,273,554	\$ 8,899,971
Fringe benefits	1,114,842	292,182	257,223	1,664,247
Payroll taxes	452,963	147,038	96,504	696,505
Total salaries and related expenses	<u>7,445,401</u>	<u>2,188,041</u>	<u>1,627,281</u>	<u>11,260,723</u>
Occupancy	264,695	163,901	27,767	456,363
Professional fees	149,252	62,133	98,620	310,005
Supplies	165,233	46,280	25,838	237,351
General insurance	-	-	-	-
Children's expenses	233,714	6,906	8,114	248,734
Transportation	135,701	19,051	84,900	239,652
Professional services	286	200	1,847	2,333
Telephone	13,537	2,993	4,491	21,021
Conferences and seminars	14,771	7,154	3,495	25,420
Equipment rental	11,776	4,244	-	16,020
Membership dues	-	1,575	-	1,575
Postage	83	-	-	83
Subscriptions	952	568	1,726	3,246
Provision for bad debts	7,579	(18,818)	78,463	67,224
Bank and investment fees	-	-	-	-
Other	11,423	566	15,580	27,569
Total other expenses	<u>1,009,002</u>	<u>296,753</u>	<u>350,841</u>	<u>1,656,596</u>
Total direct expenses	8,454,403	2,484,794	1,978,122	12,917,319
Occupancy allocation	443,382	274,211	95,292	812,885
Dietary allocation	629,661	-	233,259	862,920
Related services allocation	693,250	548,583	-	1,241,833
	<u>10,220,696</u>	<u>3,307,588</u>	<u>2,306,673</u>	<u>15,834,957</u>
Management and general allocation	<u>958,716</u>	<u>270,247</u>	<u>196,978</u>	<u>1,425,941</u>
Total expenses	<u>\$ 11,179,412</u>	<u>\$ 3,577,835</u>	<u>\$ 2,503,651</u>	<u>\$ 17,260,898</u>

SUPPORTING SERVICES

Management and General						Total Supporting Services	2013 Total
Management and General	Dietary	Related Services	Occupancy	Bonding	Development		
\$ 822,574	\$ 270,971	\$ 726,550	\$ 293,007	\$ -	\$ 33,807	\$ 2,146,909	\$ 11,046,880
211,958	45,155	136,253	52,214	-	6,396	451,976	2,116,223
60,957	31,147	54,721	21,713	-	2,505	171,043	867,548
1,095,489	347,273	917,524	366,934	-	42,708	2,769,928	14,030,651
88,707	31,951	31,195	281,558	116,893	1	550,305	1,006,668
119,847	28,907	148,086	776	-	-	297,616	607,621
23,780	400,971	17,275	76,213	-	560	518,799	756,150
87,611	-	-	26,855	-	-	114,466	114,466
6,496	7,566	3,404	674	-	53,029	71,169	319,903
21,429	-	180	9,539	-	-	31,148	270,800
121,633	502	1,560	-	-	2,418	126,113	128,446
803	18	579	137	-	4	1,541	22,562
5,728	147	278	750	-	-	6,903	32,323
12,457	1,092	2,374	1,415	-	-	17,338	33,358
20,550	211	574	-	-	648	21,983	23,558
10,672	-	-	-	-	803	11,475	11,558
1,642	-	-	-	-	286	1,928	5,174
-	-	-	-	-	-	-	67,224
5,504	-	-	-	-	36,347	41,851	41,851
14,303	-	410	-	-	16,784	31,497	59,066
541,162	471,365	205,915	397,917	116,893	110,880	1,844,132	3,500,728
1,636,651	818,638	1,123,439	764,851	116,893	153,588	4,614,060	17,531,379
-	-	-	(812,885)	-	-	(812,885)	-
-	(862,920)	-	-	-	-	(862,920)	-
-	-	(1,241,833)	-	-	-	(1,241,833)	-
1,636,651	(44,282)	(118,394)	(48,034)	116,893	153,588	1,696,422	17,531,379
(1,636,651)	44,282	118,394	48,034	-	-	(1,425,941)	-
\$ -	\$ -	\$ -	\$ -	\$ 116,893	\$ 153,588	\$ 270,481	\$ 17,531,379

See Independent Auditor's Report.

The Children's Center of Hamden, Inc.
(Entity Controlled by The Children's Center)

Schedule of Functional Expenses
Year Ended June 30, 2012

PROGRAM SERVICES

	Residential	Education	Community Based Services	Total Program Services
Salaries	\$ 5,704,970	\$ 1,628,267	\$ 1,286,017	\$ 8,619,254
Fringe benefits	1,010,922	268,705	243,714	1,523,341
Payroll taxes	455,948	111,124	114,401	681,473
Total salaries and related expenses	<u>7,171,840</u>	<u>2,008,096</u>	<u>1,644,132</u>	<u>10,824,068</u>
Occupancy	279,851	164,227	31,006	475,084
Professional fees	157,467	95,134	109,335	361,936
Supplies	174,449	59,871	29,034	263,354
General insurance	-	-	-	-
Children's expenses	221,052	7,477	9,251	237,780
Transportation	139,510	19,275	83,348	242,133
Professional services	570	509	1,266	2,345
Telephone	11,420	7,484	5,578	24,482
Conferences and seminars	21,469	7,103	5,962	34,534
Equipment rental	11,798	4,386	109	16,293
Membership dues	-	1,755	-	1,755
Postage	199	-	-	199
Subscriptions	444	1,067	-	1,511
Provision for bad debts	16,145	27,089	51,055	94,289
Bank and investment fees	-	-	-	-
Other	8,550	700	2,571	11,821
Total other expenses	<u>1,042,924</u>	<u>396,077</u>	<u>328,515</u>	<u>1,767,516</u>
Total direct expenses	8,214,764	2,404,173	1,972,647	12,591,584
Occupancy allocation	449,260	276,726	97,668	823,654
Dietary allocation	631,316	-	243,507	874,823
Related services allocation	667,090	529,369	-	1,196,459
	<u>9,962,430</u>	<u>3,210,268</u>	<u>2,313,822</u>	<u>15,486,520</u>
Management and general allocation	<u>953,787</u>	<u>253,349</u>	<u>203,491</u>	<u>1,410,627</u>
Total expenses	<u>\$ 10,916,217</u>	<u>\$ 3,463,617</u>	<u>\$ 2,517,313</u>	<u>\$ 16,897,147</u>

SUPPORTING SERVICES

Management and General						Total Supporting Services	2012 Total
Management and General	Dietary	Related Services	Occupancy	Bonding	Development		
\$ 820,342	\$ 281,454	\$ 691,684	\$ 294,403	\$ -	\$ 34,755	\$ 2,122,638	\$ 10,741,892
198,171	45,476	113,561	48,540	-	8,714	414,462	1,937,803
58,376	20,569	53,614	21,310	-	2,603	156,472	837,945
1,076,889	347,499	858,859	364,253	-	46,072	2,693,572	13,517,640
81,233	38,082	29,892	301,972	207,122	1	658,302	1,133,386
109,957	27,180	152,750	414	-	-	290,301	652,237
31,680	401,542	23,630	73,885	-	5,729	536,466	799,820
74,022	-	-	22,800	-	-	96,822	96,822
6,600	11,670	9,430	400	-	63,077	91,177	328,957
24,308	-	230	8,279	-	-	32,817	274,950
142,228	481	1,486	17	-	3,286	147,498	149,843
3,210	45	595	271	-	6	4,127	28,609
16,480	40	660	811	-	900	18,891	53,425
15,294	1,156	2,339	1,356	-	-	20,145	36,438
18,255	151	383	-	-	632	19,421	21,176
10,492	-	-	-	-	794	11,286	11,485
857	-	228	-	-	238	1,323	2,834
-	-	-	-	-	-	-	94,289
5,626	-	-	-	-	30,850	36,476	36,476
5,482	-	164	-	-	26,140	31,786	43,607
545,724	480,347	221,787	410,205	207,122	131,653	1,996,838	3,764,354
1,622,613	827,846	1,080,646	774,458	207,122	177,725	4,690,410	17,281,994
-	-	-	(823,654)	-	-	(823,654)	-
-	(874,823)	-	-	-	-	(874,823)	-
-	-	(1,196,459)	-	-	-	(1,196,459)	-
1,622,613	(46,977)	(115,813)	(49,196)	207,122	177,725	1,795,474	17,281,994
(1,622,613)	46,977	115,813	49,196	-	-	(1,410,627)	-
\$ -	\$ -	\$ -	\$ -	\$ 207,122	\$ 177,725	\$ 384,847	\$ 17,281,994

See Independent Auditor's Report.