



Certified Public Accounts and Consultants

**CHILDREN & FAMILIES FIRST DELAWARE INC.
(T/A CHILDREN & FAMILIES FIRST, INC.)
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Children & Families First Delaware Inc.

Opinion

We have audited the accompanying consolidated financial statements of Children & Families First Delaware Inc. (a nonprofit organization) and supporting organizations, which comprise the statements of financial position as of December 31, 2021 and December 31, 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Children & Families First Delaware Inc. and supporting organizations as of December 31, 2021 and December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children & Families First Delaware Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children & Families First Delaware Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Children & Families First Delaware Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children & Families First Delaware Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information of pages 28 to 31 is presented for purposes of additional analysis 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Gunnip & Company LLP

September 20, 2022
Wilmington, Delaware

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and equivalents	\$ 977,851	\$ 2,355,112
Grants and accounts receivable	2,312,058	1,860,609
Prepaid expenses	312,447	253,510
	<hr/>	<hr/>
Total current assets	3,602,356	4,469,231
OTHER ASSETS		
Investments	4,207,868	3,864,426
Beneficial interest in perpetual trusts	5,096,656	4,699,683
	<hr/>	<hr/>
	9,304,524	8,564,109
PROPERTY AND EQUIPMENT		
Land and improvements	875,130	473,687
Building and improvements	6,618,426	5,561,911
Automobiles	735,878	652,890
Building equipment and furnishings	888,091	948,370
Office and MIS equipment	471,053	471,053
	<hr/>	<hr/>
	9,588,578	8,107,911
Accumulated depreciation	5,132,545	5,205,041
	<hr/>	<hr/>
Property and equipment, net	4,456,033	2,902,870
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	\$ 17,362,913	\$ 15,936,210
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See accompanying notes to financial statements.

**CHILDREN & FAMILIES FIRST
DELAWARE INC.**

LIABILITIES

	2021	2020
CURRENT LIABILITIES		
Line of credit	\$ 0	\$ 0
Mortgage and notes payable	0	21,333
Accounts payable	666,819	515,324
Accrued expenses	261,325	169,546
Capital lease payable	71,940	78,296
Deferred revenue	786	224,587
	<u>1,000,870</u>	<u>1,009,086</u>
Total current liabilities		
LONG TERM LIABILITIES		
Pension liability	93,595	589,077
Capital lease payable	42,449	115,681
Mortgage and notes payable	0	27,621
	<u>136,044</u>	<u>732,379</u>
Total long term liabilities		
Total liabilities	1,136,914	1,741,465

NET ASSETS

NET ASSETS		
Without donor restrictions		
Unrestricted - general use	6,852,936	5,444,067
Unrestricted - endowment	3,001,683	2,541,777
	<u>9,854,619</u>	<u>7,985,844</u>
Total without donor restrictions		
With donor restrictions	6,371,380	6,208,901
Total net assets	<u>16,225,999</u>	<u>14,194,745</u>
Total liabilities and net assets	<u>\$ 17,362,913</u>	<u>\$ 15,936,210</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

**CHILDREN & FAMILIES FIRST
DELAWARE INC.**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Public support:			
Received directly			
Contributions and bequests	\$ 238,365	\$ 46,466	\$ 284,831
In-kind contributions	2,423,000		2,423,000
Received indirectly			
Allocation by United Way of Delaware, Inc.	256,517	0	256,517
Fundraisers	0	0	0
Less: Direct expenses	(2,255)	0	(2,255)
Government Agencies	27,136,488	0	27,136,488
Other grants	1,574,789	0	1,574,789
Other revenues:			
Fees for services - referrals	148,602	0	148,602
Program service fees	76,226	0	76,226
Investment income	129,202	0	129,202
Rent income	30,389	0	30,389
Other	73,729	0	73,729
Net assets released from restrictions	280,960	(280,960)	0
TOTAL PUBLIC SUPPORT AND REVENUE	32,366,012	(234,494)	32,131,518
EXPENSES AND LOSSES:			
Program Services			
Positive Parenting	1,775,109	0	1,775,109
Supporting Teens	6,859,103	0	6,859,103
Healthy Babies	3,426,448	0	3,426,448
Family Resources	12,038,901	0	12,038,901
Early Childhood	2,065,674	0	2,065,674
Workplace Supports	584,083	0	584,083
Grief Counseling	327,809	0	327,809
Program Quality and Helpline	39,861	0	39,861
Total Program Services	27,116,988	0	27,116,988
Supporting Services			
Management and general	3,284,809	0	3,284,809
Fundraising costs	274,647	0	274,647
Total Supporting Service	3,559,456	0	3,559,456
TOTAL EXPENSES AND LOSSES	30,676,444	0	30,676,444
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY	1,689,568	(234,494)	1,455,074
NONOPERATING ACTIVITY			
Periodic pension gain	495,482	0	495,482
Realized/unrealized loss on investments	325,639	0	325,639
Gain on beneficial interest in perpetual trusts	0	396,973	396,973
TOTAL NONOPERATING ACTIVITY	821,121	396,973	1,218,904
CHANGE IN NET ASSETS	2,510,689	162,479	2,673,168
NET ASSETS AT BEGINNING OF YEAR	7,985,844	6,208,901	14,194,745
TRANSFER OUT	(641,914)	0	(641,914)
NET ASSETS AT END OF YEAR	\$ 9,854,619	\$ 6,371,380	\$ 16,225,999

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

CHILDREN & FAMILIES FIRST
DELAWARE INC.

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Public support:			
Received directly			
Contributions and bequests	\$ 714,709	\$ 94,046	\$ 808,755
Received indirectly			
Allocation by United Way of Delaware, Inc.	81,925	0	81,925
Fundraisers	3,150	0	3,150
Less: Direct expenses	(2,633)	0	(2,633)
Government Agencies	18,100,376	0	18,100,376
Other grants	4,748,496	0	4,748,496
Other revenues:			
Fees for services - referrals	250,805	0	250,805
Program service fees	12,338	0	12,338
Investment income	264,764	0	264,764
Rent income	29,425	0	29,425
Other	39,979	0	39,979
Net assets released from restrictions	153,610	(153,610)	0
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	24,396,944	(59,564)	24,337,380
EXPENSES AND LOSSES:			
Program Services			
Positive Parenting	1,744,254	0	1,744,254
Supporting Teens	6,111,097	0	6,111,097
Healthy Babies	3,340,750	0	3,340,750
Family Resources	4,228,081	0	4,228,081
Early Childhood	1,765,436	0	1,765,436
Workplace Supports	1,415,020	0	1,415,020
Grief Counseling	331,861	0	331,861
Program Quality and Helpline	(14,518)	0	(14,518)
Total Program Services	18,921,981	0	18,921,981
Supporting Services			
Management and general	2,207,668	0	2,207,668
Fundraising costs	291,581	0	291,581
Total Supporting Service	2,499,249	0	2,499,249
TOTAL EXPENSES AND LOSSES	21,421,230	0	21,421,230
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY	2,975,714	(59,564)	2,916,150
NONOPERATING ACTIVITY			
Periodic pension gain	11,962	0	11,962
Realized/unrealized gain on investments	205,407	0	205,407
Gain on beneficial interest in perpetual trusts	0	179,816	179,816
TOTAL NONOPERATING ACTIVITY	217,369	179,816	397,185
CHANGES IN NET ASSETS	3,193,083	120,252	3,313,335
NET ASSETS, BEGINNING OF YEAR	4,792,761	6,088,649	10,881,410
NET ASSETS, END OF YEAR	<u>\$ 7,985,844</u>	<u>\$ 6,208,901</u>	<u>\$ 14,194,745</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

CHILDREN & FAMILIES FIRST
DELAWARE INC.

FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services							Program Quality & Helpline	Total Program Services
	Positive Parenting	Supporting Teens	Healthy Babies	Family Resources	Early Childhood	Workplace Supports	Grief Counseling		
EXPENSES									
Salaries	\$ 848,029	\$ 4,645,011	\$ 1,843,800	\$ 6,145,363	\$ 517,105	\$ 27,072	\$ 234,223	\$ 109,331	\$ 14,369,934
Employee benefits expense	163,292	922,498	392,904	925,715	108,426	5,240	34,641	26,069	2,578,785
Payroll taxes	73,519	392,308	156,405	529,504	45,361	2,318	20,299	8,626	1,228,340
Total Salaries and Related Expenses	1,084,840	5,959,817	2,393,109	7,600,582	670,892	34,630	289,163	144,026	18,177,059
Professional fees	58,487	124,152	572,917	1,368,016	18,275	1,106	9,582	7,510	2,160,045
Supplies	34,790	132,876	56,146	1,010,655	9,616	311	3,157	48	1,247,599
Telephone	49,977	120,171	47,260	308,749	8,193	6,196	4,320	2,055	546,921
Postage	1,092	3,730	1,806	2,697	308	30	61	89	9,813
Rent	21,980	45,580	40,360	81,545	14,700	988	5,653	2,806	213,612
Utilities	3,940	31,577	7,236	120,714	2,635	177	1,013	503	167,795
Maintenance of facilities	10,243	105,407	18,808	391,307	6,850	460	2,634	1,308	537,017
Offsite storage and document destruction	966	2,004	1,774	3,585	646	43	249	123	9,390
Multi-peril insurance	16,647	31,428	12,589	63,625	4,634	293	104	850	130,170
Service contracts	0	4,042	0	42,350	0	0	0	0	46,392
Purchased equipment	23,966	35,327	9,020	451,882	7,267	672	876	4,437	533,447
Interest expense	940	1,950	1,727	3,489	629	42	242	120	9,139
Printing and publications	7,851	14,977	11,452	84,871	3,260	555	1,550	1,819	126,335
Travel	30,106	88,249	65,643	153,454	1,789	1	864	34	340,140
Conferences and training	2,250	20,570	48,446	89,922	500	0	2,495	0	164,183
Special assistance	381,584	31,733	83,239	41,859	1,270,673	536,592	0	0	2,345,680
Professional dues	0	902	595	1,307	0	0	0	0	2,804
Miscellaneous	23,399	59,837	14,706	11,665	30,337	1,018	297	(128,621)	12,638
Recruitment expense	250	0	0	112,355	0	0	0	0	112,605
Bad debt expense	0	0	0	0	0	0	0	0	0
Bank fees	111	34	0	4	41	0	0	0	190
Special event expense	116	241	213	431	78	5	30	15	1,129
Taxes	116	0	0	14,227	0	0	0	0	14,343
Depreciation	21,458	44,499	39,402	79,610	14,351	964	5,519	2,739	208,542
TOTAL EXPENSES	\$ 1,775,109	\$ 6,859,103	\$ 3,426,448	\$ 12,038,901	\$ 2,065,674	\$ 584,083	\$ 327,809	\$ 39,861	\$ 27,116,988

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (cont'd)

CHILDREN & FAMILIES FIRST
DELAWARE INC.

FOR THE YEAR ENDED DECEMBER 31, 2021

	Supporting Services			Total
	Management & General	Fundraising Costs	Total Supporting Services	
EXPENSES				
Salaries	\$ 1,073,088	\$ 163,153	\$ 1,236,241	\$ 15,606,175
Employee benefits expense	280,761	37,947	318,708	2,897,493
Payroll taxes	121,253	13,646	134,899	1,363,239
Total Salaries and Related Expenses	1,475,102	214,746	1,689,848	19,866,907
Professional fees	302,802	18,057	320,859	2,480,904
Supplies	195,947	957	196,904	1,444,503
Telephone	212,291	3,657	215,948	762,869
Postage	1,764	459	2,223	12,036
Rent	43,714	5,391	49,105	262,717
Utilities	8,135	967	9,102	176,897
Maintenance of facilities	27,543	2,512	30,055	567,072
Offsite storage and document destruction	3,249	237	3,486	12,876
Multi-peril insurance	59,055	1,635	60,690	190,860
Service contracts	(950)	0.00	(950)	45,442
Purchased equipment	126,405	4,706	131,111	664,558
Interest expense	1,870	231	2,101	11,240
Printing and publications	82,986	7,330	90,316	216,651
Travel	45,543	839	46,382	386,522
Conferences and training	15,975	120	16,095	180,278
Special assistance	(1,537)	0	(1,537)	2,344,143
Professional dues	44,311	1,640	45,951	48,755
Miscellaneous	256,428	5,704	262,132	274,770
Recruitment expense	18,460	0	18,460	131,065
Bad debt expense	211,111	0	211,111	211,111
Bank fees	45,392	167	45,559	45,749
Special event expense	231	29	260	1,389
Taxes	2,209	0	2,209	16,552
Depreciation	106,773	5,263	112,036	320,578
TOTAL EXPENSES	\$ 3,284,809	\$ 274,647	\$ 3,559,456	\$ 30,676,444

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

CHILDREN & FAMILIES FIRST
DELAWARE INC.

FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services								Total Program Services
	Positive Parenting	Supporting Teens	Healthy Babies	Family Resources	Early Childhood	Workplace Supports	Grief Counseling	Program Quality & Helpline	
EXPENSES									
Salaries	\$ 843,243	\$ 4,256,683	\$ 1,801,572	\$ 1,869,518	\$ 594,327	# \$ 31,434	\$ 263,619	\$ 93,272	\$ 9,753,668
Employee benefits expense	148,734	658,319	328,457	250,843	96,005	0	5,418	38,842	1,536,848
Payroll taxes	75,616	373,033	158,988	157,432	52,119	0	2,771	24,056	851,989
Total Salaries and Related Expenses	1,067,593	5,288,035	2,289,017	2,277,793	742,451	39,623	326,517	111,476	12,142,505
Professional fees	63,588	135,120	564,101	1,245,112	8,863	0	1,039	13,343	2,032,703
Supplies	28,168	95,761	107,570	209,360	8,196	0	696	7,004	457,009
Telephone	35,914	106,004	48,673	122,206	11,524	0	5,743	7,002	339,375
Postage	1,480	3,373	1,862	605	342	0	28	303	8,074
Rent	15,173	23,604	22,826	19,906	10,218	0	540	3,686	97,522
Utilities	5,586	31,746	8,403	18,999	3,762	0	198	1,357	70,628
Maintenance of facilities	12,341	85,810	18,565	96,421	8,311	0	439	2,998	226,160
Offsite storage and document destruction	1,987	1,925	1,861	1,623	833	0	44	301	8,702
Multi-peril insurance	18,541	27,437	10,966	20,110	4,795	0	255	382	83,227
Service contracts	(11,352)	(24,015)	(17,078)	(12,215)	(7,645)	0	(403)	(2,758)	(76,639)
Purchased equipment	9,601	63,720	33,695	5,069	4,405	0	230	1,970	120,549
Interest expense	2,747	4,274	4,133	3,604	1,850	0	98	688	17,678
Printing and publications	21,972	29,694	24,723	36,516	8,047	0	735	2,567	125,778
Travel	29,451	89,302	74,049	59,949	6,555	0	26	1,493	260,825
Conferences and training	1,103	36,198	34,618	10,287	1,702	0	0	5,040	88,948
Special assistance	387,929	13,314	64,308	55,102	929,045	0	1,363,378	0	2,813,076
Professional dues	0	444	0	3,093	0	0	0	169	3,706
Miscellaneous	20,253	49,441	217	(5,322)	122	0	1,018	(49,711)	(124,255)
Recruitment expense	0	0	0	17,797	0	0	0	0	17,797
Bad debt expense	0	0	0	0	0	0	0	0	0
Bank fees	287	299	263	227	582	0	200	1,762	3,638
Special event expense	0	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0	0	0
Depreciation	31,892	49,611	47,978	41,839	21,478	0	1,133	7,748	204,975
TOTAL EXPENSES	\$ 1,744,254	\$ 6,111,097	\$ 3,340,750	\$ 4,228,081	\$ 1,765,436	\$ 1,415,020	\$ 331,861	\$ (14,518)	\$ 18,921,981

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (cont'd)

CHILDREN & FAMILIES FIRST
DELAWARE INC.

FOR THE YEAR ENDED DECEMBER 31, 2020

	Supporting Services			Total
	Management & General	Fundraising Costs	Total Supporting Services	
EXPENSES				
Salaries	\$ 1,000,202	\$ 183,535	\$ 1,183,737	\$ 10,937,405
Employee benefits expense	114,956	34,552	149,508	1,686,356
Payroll taxes	92,492	15,882	108,374	960,363
Total Salaries and Related Expenses	1,207,650	233,969	1,441,619	13,584,124
Professional fees	155,265	21,067	176,332	2,209,035
Supplies	76,661	936	77,597	534,606
Telephone	50,408	4,533	54,941	394,316
Postage	3,275	356	3,631	11,705
Rent	24,541	3,014	27,555	125,077
Utilities	9,983	1,109	11,092	81,720
Maintenance of facilities	26,100	2,451	28,551	254,711
Offsite storage and document destruction	20,256	246	20,502	29,204
Multi-peril insurance	57,239	1,424	58,663	141,890
Service contracts	(16,003)	(2,254)	(18,257)	(94,896)
Purchased equipment	107,840	2,070	109,910	230,459
Interest expense	28,496	546	29,042	46,720
Printing and publications	61,785	9,017	70,802	196,580
Travel	49,823	433	50,256	311,081
Conferences and training	14,369	58	14,427	103,375
Special assistance	2,306	0	2,306	2,815,382
Professional dues	26,546	255	26,801	30,507
Miscellaneous	45,343	5,984	51,327	(72,928)
Recruitment expense	0	0	0	17,797
Bad debt expense	157,524	0	157,524	157,524
Bank fees	37,681	34	37,715	41,353
Special event expense	0	0	0	0
Taxes	769	0	769	769
Depreciation	59,811	6,333	66,144	271,119
TOTAL EXPENSES	\$ 2,207,668	\$ 291,581	\$ 2,499,249	\$ 21,421,230

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

**CHILDREN & FAMILIES FIRST
DELAWARE INC.**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and public support	\$ 28,622,839	\$ 23,854,563
Cash received from other revenue	458,148	597,311
Cash paid to employees and vendors	<u>(30,174,502)</u>	<u>(20,835,954)</u>
Net cash from (used by) operating activities	<u>(1,093,515)</u>	<u>3,615,920</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(137,838)	(72,868)
Sales of investments	273,516	769,854
Purchases of investments	<u>(337,629)</u>	<u>(941,067)</u>
Net cash used by investing activities	<u>(201,951)</u>	<u>(244,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	0	3,776,879
Payments on line of credit	0	(5,206,904)
Repayment of debt	(2,207)	(27,118)
Payments on capital lease obligations	<u>(79,588)</u>	<u>(73,168)</u>
Net cash used by financing activities	<u>(81,795)</u>	<u>(1,530,311)</u>
NET CHANGE IN CASH	(1,377,261)	1,841,528
CASH		
Beginning of year	<u>2,355,112</u>	<u>513,584</u>
End of year	<u>\$ 977,851</u>	<u>\$ 2,355,112</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 11,949</u>	<u>\$ 46,699</u>
Taxes paid	<u>\$ 0</u>	<u>\$ 0</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Head Start land and building in-kind contribution	<u>\$ 2,423,000</u>	<u>\$ 0</u>
Mortgage sold as part of Supporting KIDDS disposal	<u>\$ 46,747</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

Note 1 Summary of Organization activities and significant accounting policies

Organization activities

Since 1884, Children & Families First Delaware Inc. (the Organization) has served Delawareans in need, with a mission to help families develop solutions to meet challenges and embrace opportunities. Its vision is communities where children are nurtured and safe, individuals are valued, and families are strong. Its programs cover the lifespan, including support to pregnant women and babies, foster care and adoption, advocacy for quality early care and education, and services for elders.

Principals of consolidation

The consolidated financial statements include the accounts of Children & Families First Delaware Inc. and its affiliated supporting organizations, B2W2 Inc., Children & Families First Endowments Inc. ("CFFE") and Supporting K.I.D.D.S, Inc. All significant inter-organization transactions and balances have been eliminated in consolidation.

B2W2 Inc.'s sole purpose is to act exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Children & Families First Delaware Inc., an organization described in Section 509(a)(2) of the Internal Revenue Code of 1986, as amended. In conformity with the foregoing, the activities of B2W2 Inc. are to provide facilities, vehicles and equipment to Children & Families First Delaware Inc. to be used in furtherance of its tax-exempt purpose.

CFFE's sole purpose is to act exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Children & Families First Delaware Inc., an organization described in Section 509(a)(2) of the Internal Revenue Code of 1986, as amended. The activities of CFFE are to hold and manage the endowment assets of Children & Families First Delaware Inc. Additionally, CFFE engages in a variety of fund raising activities which may include foundation, corporate and individual solicitations and special events. Proceeds from activities of the corporation are either reinvested in the endowment for future use by Children & Families First Delaware Inc. or distributed to Children & Families First Delaware Inc. to be used in furtherance of its tax-exempt purpose.

Supporting K.I.D.D.S., Inc.'s sole purpose is to support and educate bereaved children, their families, and the larger communities in which they live. Supporting K.I.D.D.S., Inc. offers an evolving menu of programs and services, both at the center and in collaboration with community groups. These include support groups, educational seminars, and consultations with professionals who work with children, a state-of-the-art lending library, information packets about children and grief, and referrals to related services. Supporting K.I.D.D.S., Inc. assets and liabilities were transferred to a non-related third party on February 1, 2021; the transfer is reflected on the statement of activities as a non-operating transfer (out).

(cont'd)

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Financial statement presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles. ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations

The Organization's measure of operations includes all revenue and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated and other non-operating funds to support current operating activities. The measure of operations includes support for operating activities from net assets with or without donor restrictions designated for long-term investment according to the Organization's spending policy. The measure of operations excludes support for non-operating and restricted operating activities.

Use of estimates in the preparation of financial statements

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

Cash and cash equivalents

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

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Grants and accounts receivable

The Organization recognizes pledges as support in the period in which the unconditional promise to give is received.

The Organization estimates an allowance for doubtful accounts based on historical collection rates and an analysis of the collectability of individual receivables. The allowance for doubtful accounts for pledges, grants and accounts receivable was \$211,111 and \$0 at December 31, 2021 and 2020.

Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment gain or loss in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on mark-to-market value and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – unobservable inputs that cannot be corroborated by observable market data.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Contributions

Contributions received are recorded as net assets with donor restrictions or without donor restriction support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Depreciation	Rentable square feet

Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Total net assets and change in net assets are unchanged due to these reclassifications.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Revenue and revenue recognition

Revenue is measured and recognized based on the type of consideration received. Revenue from fundraisers is measured by the amount of money received for or during the event, less expenses incurred for the fundraising activity. Revenue from government agencies and other grants is measured by the consideration specified in the respective contract with the respective granting agency. The Organization recognizes this revenue on a cost reimbursement basis as the Organization satisfies service obligations. The Organization submits approved expenditures to the granting agency and recognizes the revenue upon submission. The Organization also has revenues for program services that have a duration of one year or less. The Organization has elected the practical expedient and has not disclosed the value of unsatisfied performance obligations nor the expected timing for completion related to these revenues. All amounts paid in advance are deferred to the period in which the underlying service takes place. Due to the nature and timing of the service and/or transfer of services, substantially all deferred revenue at December 31 of each year is recognized in the following year.

Donated services and facilities

Donated services are not recognized as revenues unless the services received create or enhance the value of a nonfinancial asset; or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No such amounts were received during 2021 or 2020. However, a number of volunteers have contributed their time to the Organization.

Children & Families First Delaware Inc. did receive significant donated property in 2021 as part of the administration of the Head Start Program. Donated land and buildings for Head Start totaled \$2,423,000 and are included in property and equipment on the consolidated statement of financial position and in-kind contributions on the consolidated statement of activities.

Income taxes

Children & Families First Delaware Inc. is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

B2W2 Inc. and CFFE are exempt from federal income tax under Internal Revenue Code Section 509(a)(2). However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the consolidated financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. The Organization's federal exempt organization business income tax returns (Form 990) for 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Availability and liquidity

The following represents the Organization's financial assets at December 31, 2021 and 2020:

Financial assets at year end:	2021	2020
Cash	\$ 977,851	\$ 2,355,112
Grant and accounts receivable	2,312,058	1,860,609
Investments	<u>4,207,868</u>	<u>3,864,426</u>
Total financial assets	7,497,777	8,080,147
Less amounts not available to be used within one year:		
Net assets with donor restrictions	1,274,724	1,509,218
Quasi endowment established by the Board	<u>3,001,683</u>	<u>2,541,777</u>
	<u>4,276,407</u>	<u>4,050,995</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,221,370</u>	<u>\$ 4,029,152</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments. The Organization has a line of credit available to meet cash flow needs.

Note 2 Contracts and grants from governmental agencies

Children & Families First Delaware Inc., in the normal course of business, receives grants and enters into contracts for the performance of specific activities within certain budgetary constraints. Such projects are subject to various stipulations as to operating compliance and financial reporting. For substantially all of these programs, the expenditures are subject to review, audit and final approval by the contracting agency.

Note 3 Property and equipment and depreciation

Property and equipment are stated at cost, if purchased. Donated facilities and equipment are recorded at their fair values at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts and any gains or losses on such dispositions are recognized in the statement of activities. Children & Families First Delaware Inc.'s policy is to capitalize items with a cost equal to or greater than \$ 5,000. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 3 Property and equipment and depreciation (cont'd)

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following is a schedule of the estimated useful lives:

Land improvements	10 – 40 years
Buildings and improvements	10 – 40 years
Building equipment and furnishings	5 – 20 years
Office equipment	3 – 10 years
MIS implementation	5 years
Automobiles	5 years

Note 4 Investments

The following is a fair value summary of investments measured on a recurring basis at December 31, 2021 and 2020:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Investments – the fair value of Level 1 debt and equity securities is determined by reference to quoted market prices. The fair value of Level 2 equity securities is determined by using a market approach and reflects the fair value of a mutual fund's underlying securities divided by the number of shares that are outstanding within the fund.

Beneficial interest in perpetual trust – the fair value is estimated based on the fair value of the underlying assets in the trust.

Fair value of assets and liabilities measured on a recurring basis are as follows:

<u>December 31, 2021</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 133,362	\$ 133,362	\$ 0	\$ 0
Equity securities	2,251,644	2,251,644	0	0
Fixed income	1,488,721	1,488,721	0	0
Alternate investments	334,141	334,141	0	0
Beneficial interest in perpetual trust	5,096,656	0	0	5,096,656
	<u>\$ 9,304,524</u>	<u>\$ 4,207,868</u>	<u>\$ 0</u>	<u>\$ 5,096,656</u>
<u>December 31, 2020</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 75,575	\$ 75,575	\$ 0	\$ 0
Equity securities	1,959,716	1,959,716	0	0
Fixed income	1,508,735	1,508,735	0	0
Alternate investments	320,400	320,400	0	0
Beneficial interest in perpetual trust	4,699,683	0	0	4,699,683
	<u>\$ 8,564,109</u>	<u>\$ 3,864,426</u>	<u>\$ 0</u>	<u>\$ 4,699,683</u>

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 4 Investments (cont'd)

Beneficial interest in perpetual trust

January 1, 2021	\$ 4,699,683	January 1, 2020	\$ 4,519,867
Gain on investment	<u>396,973</u>	Gain on investment	<u>179,816</u>
December 31, 2021	<u>\$ 5,096,656</u>	December 31, 2020	<u>\$ 4,699,683</u>

Note 5 Endowment funds

The Organization's endowment consists of contributions from donors for the creation of a permanent endowment for general purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The assets are invested in the general investment portfolio of the agency, and all other accumulations are classified as net assets without donor restrictions, absent of explicit donor stipulations to the contrary. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as a permanent endowment (a) to 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 as with donor restricted net assets is classified as without donor restriction net assets to be utilized by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization and (7) the Organization's investment policies.

All investment income in 2021 and 2020, net of investment management fees, was appropriately transferred into the without donor restrictions endowment fund based on the lack of donor restriction on use.

Note 5 Endowment funds (cont'd)

Return objectives and risk parameters

The Children & Families First Endowment Inc. Board of Directors and Children & Families First Delaware Inc. Finance Committee, with the assistance of the Organization investment advisor, operated in accordance with an investment policy statement that is intended to provide a predictable stream of income and investment returns. Under the policy guidelines, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing investment objectives, the Board of Directors, with the assistance of the Finance Committee, has taken into account the time horizon available for investment, the nature of the Organization's cash flow requirements, and other factors that affect the Board of Director's and Finance Committee's risk tolerance.

Strategy employed for achieving objectives

The Children & Families First Endowment Inc. Board of Directors and Children & Families First Delaware Inc. Finance Committee have adopted an investment objective of long-term growth for the invested assets. The investment guidelines emphasize long-term capital appreciation as a primary source of return, recognize that the assets are exposed to risk and may be subject to fluctuation in market value from year-to-year, expect to earn returns sufficient to grow the purchasing power of assets over the long-term, diversify the invested assets in order to reduce the risk of wide swings in market value from year to year or of incurring large losses that may result from concentrated positions, and achieve investment results over the long-term that compare favorably with other professionally managed portfolios and appropriate market indexes.

In addition, the Organization is a beneficiary of the Brown Trust, the Harlan Trust and the Alice Warner Foundation Trust, which are held and administered by outside fiscal agents. Under the terms of the trusts, the Organization has the irrevocable right to receive net investment income earned on the assets of the trusts in perpetuity, but will never receive the assets of these trusts. The Organization receives monthly income from these trusts. These distributions can be used in any way that is consistent with the Organization's exempt purpose. Distributions received during 2021 and 2020 totaled \$ 35,860 and \$ 6,587, respectively, and are included in net assets without donor restrictions.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 5 Endowment funds (cont'd)

Management estimates the fair value of its beneficial interest to approximate the fair value of the underlying assets of the trusts. As of December 31, 2021 and 2020, the estimated fair value of the trust assets was:

December 31,	2021		2020	
	<u>Amount</u>	<u>% owned</u>	<u>Amount</u>	<u>% owned</u>
Bertha Harlan Trust	\$ 67,900	33	\$ 61,946	33
Alice Warner Trust	187,660	14	177,873	14
H. Fletcher Brown Trust	<u>4,841,096</u>	100	<u>4,459,864</u>	100
Total fair value of beneficial interest	<u>\$ 5,096,656</u>		<u>\$ 4,699,683</u>	

Endowment net asset composition by type of fund as of December 31, 2021 are as follows:

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, Beginning of year, restated	\$ 2,541,777	\$ 5,323,506	\$ 7,865,283
Contributions			
Investment income	72,653	0	72,653
Net appreciation (depreciation)	320,976	396,973	717,949
Amount appropriated for expense	(21,540)	0	(21,540)
Transfers	<u>87,817</u>	<u>0</u>	<u>87,817</u>
Endowment net assets, End of year	<u>\$ 3,001,683</u>	<u>\$ 5,720,479</u>	<u>\$ 8,722,162</u>

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 5 Endowment funds (cont'd)

Strategy employed for achieving objectives (cont'd)

Endowment net asset composition by type of fund as of December 31, 2020 are as follows:

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, Beginning of year, restated	\$ 2,349,751	\$ 5,143,690	\$ 7,493,441
Investment income	60,279	0	60,279
Net depreciation	202,275	179,816	382,091
Amount appropriated for expense	(19,181)	0	(19,181)
Transfers	<u>(51,347)</u>	<u>0</u>	<u>(51,347)</u>
Endowment net assets, End of year, restated	<u>\$ 2,541,777</u>	<u>\$ 5,323,506</u>	<u>\$ 7,865,283</u>

Note 6 Mortgage notes payable

Debt obligations consisted of the following at December 31:

	2021	2020
Mortgage at PNC Bank. The interest rate at December 31, 2020 was 4.20%. Monthly payments vary; mortgage was paid in full March 2021. Mortgage was collateralized by the Organization's building in Seaford, Delaware.	\$ 0	\$ 2,207
Fixed rate mortgage at M&T Bank. The interest rate at December 31, 2020 was 3.49%. Monthly principal and interest payments was \$ 1,704; mortgage was resumed by Supporting KIDDS as part of the sale agreement. Mortgage was collateralized by the Organization's building in Hockessin, Delaware.	<u>0</u>	<u>46,747</u>
	0	48,954
Less current portion	<u>0</u>	<u>(21,333)</u>
	<u>0</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 27,621</u>

Interest expense on mortgage note payable totaled \$ 2,561 and \$ 2,236 for the years ended December 31, 2021 and 2020, respectively.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 7 Line of credit

The Organization has a \$ 2,000,000 secured demand line of credit with PNC Bank at December 31, 2021 and 2020. Interest was at the prime rate, 3.25% at December 31, 2021 and December 31, 2020, respectively. There were no advances or repayments on the line of credit for the year ended December 31, 2021. Advances and repayments on the line of credit were \$ 3,776,879 and \$ 5,206,904, respectively, for the year ended December 31, 2020. The line of credit was secured by a lien on all business assets. Interest expense for the years ended December 31, 2021 and 2020 was \$ 0 and \$ 13,098, respectively.

Note 8 Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2021 and 2020:

	2021	2020
Program expenses	<u>\$ 6,371,380</u>	<u>\$ 6,208,901</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the amount of \$ 280,960 and \$ 153,610 for the years ended December 31, 2021 and 2020, respectively.

Note 9 Pension plan

Children & Families First Delaware Inc. has a non-contributory defined benefit pension plan which provides benefits for all eligible employees through Wilmington Trust Company. Benefits are based upon compensation and length of service. The Organization's funding policy is to contribute the minimum amount required by the Employee Retirement Income Security Act of 1974. On May 17, 2004, the Organization signed an amendment to freeze the accrued benefits under the plan. The plan was frozen effective June 30, 2004. This action does not affect benefits accrued through June 30, 2004.

Plan assets are allocated between equities, fixed income, alternative investments, and cash and cash equivalents.

In accordance with the FASB ASC section regarding employers' accounting for defined benefit pension and other post-retirement plans, entities are required to recognize a net liability or asset and an offsetting adjustment to changes in net assets without restrictions to report the funded status of defined benefit, pension and other post-retirement benefit plans. The section also requires prospective application. Additionally, entities are required to measure plan assets and obligations at their year-end statement of financial position date.

The Organization recognized the net gain or loss due to this application, plus the net cost benefit which created a gain in the amount of \$ 495,482 and \$ 11,962 in 2021 and 2020, respectively. Following is a summary of plan information provided by the consulting actuary:

	2021	2020
Change in projected benefit obligation		
Projected benefit obligation,		
beginning of year	\$ 3,195,811	\$ 3,007,666
Interest cost	73,491	92,543
Benefits paid	(168,184)	(155,788)
Actuarial gain (loss)	<u>(92,052)</u>	<u>251,390</u>
Projected benefit obligation, end of year	<u>3,009,066</u>	<u>3,195,811</u>
Change in plan assets:		
Fair value of plan assets,		
beginning of year	2,606,734	2,406,627
Employer contributions	168,060	171,808
Benefits paid	(168,184)	(155,788)
Administrative expenses	0	0
Actual return on plan assets	<u>308,861</u>	<u>184,087</u>
Fair value of plan assets, end of year	<u>2,915,471</u>	<u>2,606,734</u>
Funded status – benefit obligation in excess of plan assets (liability on statement of financial position)	<u>\$ 93,595</u>	<u>\$ 589,077</u>
Accumulated benefit obligation	<u>\$ 3,009,066</u>	<u>\$ 3,195,811</u>

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 9 Pension plan (cont'd)

	2021	2020
Components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions:		
Interest cost	\$ 73,491	\$ 92,543
Return on plan assets	(183,178)	(168,949)
Settlement loss	0	0
Amortization of net loss	<u>155,579</u>	<u>124,516</u>
Total net periodic pension loss	<u>\$ 45,892</u>	<u>\$ 48,110</u>
Amounts previously recognized in net assets without donor restrictions not yet recognized as periodic pension cost at December 31	<u>\$ 1,035,317</u>	<u>\$ 1,408,631</u>
Benefits paid	<u>\$ 168,164</u>	<u>\$ 155,788</u>
Weighted-average assumptions for year:		
Discount rate	2.36 %	3.16 %
Rate of compensation increases	0.00 %	0.00 %
Expected long-term rate of return on plan assets	7.00 %	7.00 %
Weighted-average assumptions at end of year:		
Discount rate	2.72 %	2.36 %
Rate of compensation increases	0.00 %	0.00 %
Expected long-term rate of return on plan assets	6.00 %	7.00 %
Measurement date	12/31	12/31

The estimated transition obligation, actuarial loss and prior service cost that will be amortized from changes in net assets without donor restrictions into the net periodic benefit cost over the next fiscal year are \$ 0, \$ 104,916 and \$ 0, respectively.

The Organization's expected long-term return on plan assets assumption is based on a periodic review of the plan's assets over a long-term horizon. Expectations of returns for each asset class are used in the review and are based on reviews of historical data and economic/financial market theory. The expected long-term rate of return on plan assets was selected from within a reasonable range of rates determined by (a) historical real returns for the asset classes covered by the investment policy and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

At December 31, 2021, plan assets were invested in cash and cash equivalents, alternative investments, fixed income and stocks and comprised of approximately 5% cash and cash equivalents (Level 1), 61% equities (Level 1), 27% fixed income and 7% alternative investments (Level 1). The Organization's target allocation was 55% equity securities, 32% fixed income securities, 12% alternative investments, and 1% cash and cash equivalents. There were holdings in four individual investments that were in excess of five percent of plan assets as of December 31, 2021.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 9 Pension plan (cont'd)

At December 31, 2020, plan assets were invested in cash and cash equivalents, alternative investments, fixed income and stocks and comprised of approximately 4% cash and cash equivalents (Level 1), 58% equities (Level 1), 30% fixed income and 8% alternative investments (Level 1). The Organization's target allocation was 55% equity securities, 32% fixed income securities, 12% alternative investments, and 1% cash and cash equivalents. There were holdings in five individual investments that were in excess of five percent of plan assets as of December 31, 2020.

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

The table below presents the balances of pension assets measured at fair value on a recurring basis, as of December 31, 2021 and 2020:

December 31, 2021	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 155,564	\$ 155,564	\$ 0	\$ 0
Equities	1,770,612	1,770,612	0	0
Fixed income	773,448	773,448	0	0
Alternative investments	215,847	215,847		
TOTAL	\$ 2,915,471	\$ 2,915,471	\$ 0	\$ 0
December 31, 2020	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 99,692	\$ 99,692	\$ 0	\$ 0
Equities	1,511,527	1,511,527	0	0
Fixed Income	783,340	783,340	0	0
Alternative investments	212,175	212,175		
TOTAL	\$ 2,606,734	\$ 2,606,734	\$ 0	\$ 0

Level 1 – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes the 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.

Note 9 Pension plan (cont'd)

The Organization's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocations (shown above) by major asset categories. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions and achieve asset returns that are competitive with the like institutions employing similar investment strategies. The endowment committee meets annually to review the investment policy statement, and quarterly to review investment returns and actual asset allocations in relation to policy allocation limits. The policy is established and administered in a manner so as to comply at all times with applicable government regulations.

The Organization expects to contribute a minimum of \$ 0 to the pension plan in 2021. No plan assets are expected to be returned to the Organization during 2021.

The benefits expected to be paid for the next five years are as follows:

2022	\$ 151,000
2023	156,000
2024	160,000
2025	163,000
2026	<u>168,000</u>
Total	<u>\$ 798,000</u>

Note 10 Defined contribution plan

The Organization has a defined contribution plan covering all full-time employees. Employees who have one year of credited service and are at least 21 years of age are eligible to participate. Each year, participants may contribute up to amounts allowed under Internal Revenue Code Section 415, as defined in the plan. The Organization's matching contribution is based on a discretionary percentage, determined by the Organization, of each tier of a participant's elective deferrals or flat dollar amount allocated on a uniform basis to all participants, as determined by the Organization. Contributions are subject to certain limitations. Employer contributions to the plan for the years ended December 31, 2021 and 2020 were \$ 191,107 and \$ 128,919, respectively.

Note 11 Operating leases

The Organization leases vehicles and office equipment under various operating leases that expire through April 2025. Total lease payments amounted to \$ 8,038 and \$ 17,496 for the years ended December 31, 2021 and 2020, respectively.

The following is a schedule of minimum future rental payments under non-cancelable operating leasing arrangements having remaining terms in excess of one year as of December 31, 2021:

2022	\$	12,057
2023		12,057
2024		12,057
2025		4,019
2026		<u>0</u>
Total	\$	<u>40,190</u>

Note 12 Operating lease as lessor

The Organization leases out office space in Georgetown, Delaware under an operating lease. The old lease expired on August 31, 2018. The new lease is for two years commencing on September 1, 2018 and expired August 31, 2020 with an exercised option for a one year renewal. For the years ended December 31, 2021 and 2020, the Organization received income from this lease of \$ 30,389 and \$ 29,424, respectively.

Note 13 Capital leases

The Organization has entered into lease agreements as a lessee for financing the acquisition of vehicles, computer equipment, and telephone system. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

Vehicles – Enterprise, Inc.	\$	431,927
Equipment – Cisco, Inc.		23,992
Equipment – STC, Inc.		309,181
Less: Accumulated amortization		<u>(656,271)</u>
Total	\$	<u>108,829</u>

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(cont'd)**

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 13 Capital leases (cont'd)

Annual amortization is included in depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments for the remaining term as of December 31, 2021 were as follows:

2022	\$	71,940
2023		37,663
2024		12,190
2025		0
2026		0
		<u>121,793</u>
Amount representing interest		<u>(7,404)</u>
Total	\$	<u>114,389</u>

Note 14 Advertising expenses

The Organization expenses the production costs of advertising when incurred. Advertising expense totaled \$ 84,671 and \$ 38,169 during the years ended December 31, 2021 and 2020, respectively.

Note 15 Concentration of credit risk

The financial instrument which potentially subjects the Organization to significant concentrations of credit risk is cash and accounts receivable.

The Organization's cash is maintained in bank deposit accounts with financial institutions that at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.

Accounts receivable represent unsecured revenue and is periodically reviewed by management. An allowance for doubtful accounts has been established.

Note 16 Subsequent events

The date to which events occurring after December 31, 2021, the date of the most recent consolidated statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosures is September 20, 2022 which is the date on which the financial statements were available to be issued.

Note 17 Children & Families First Fund

The Children & Families First Fund (“CFF Fund”) is an agreement between Children & Families First Delaware, Inc. (“The Organization”) and the Delaware Community Foundation (“DCF”) to establish a nonprofit endowment fund. The funds are administered and invested in the DCF, a commingled investment fund for the benefit of the Organization.

The funds are distributed to the Organization in accordance with the terms of the agreement. There were no distributions received by the Organization for the years ended December 31, 2021 and 2020.

As of December 31, 2021 and 2020, DCF held the following balances designated for DCF:

	2021	2020
	\$ 26,206	\$ 23,243

The above assets are excluded from the financial statements since the DCF holds variance power over the use of such assets.

Note 18 Loan Forgiveness

On April 14, 2020, the Organization received loan proceeds of \$ 1,888,500 from PNC Bank, N.A. under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provided for loans to qualified entities in the amounts up to 2.5 times the entity’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” as long as the borrower maintained its payroll levels and used the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount is reduced if the borrower terminated employees or reduced salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization has used the PPP loan proceeds for purposes consistent with the PPP and was granted full forgiveness on June 29, 2021. The Organization included the forgiveness as a conditional contribution for the year ended December 31, 2020.

Note 19 COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s donors, customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTARY INFORMATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

CHILDREN & FAMILIES FIRST
DELAWARE INC.

DECEMBER 31, 2021

	Children & Families First Delaware Inc.	Children & Families First Endowment Inc.	B2W2 Inc.	Elimination Entries	Consolidated Balances
CURRENT ASSETS					
Cash and equivalents	\$ 448,646	\$ 0	\$ 529,205	\$ 0	\$ 977,851
Accounts receivable	0	0	0	0	0
Grants receivable	2,312,058	0	0	0	2,312,058
Prepaid expenses	312,447	0	0	0	312,447
Total Current Assets	3,073,151	0	529,205	0	3,602,356
OTHER ASSETS					
Investments	349,426	3,625,506	232,936	0	4,207,868
Beneficial interest in perpetual trusts	5,096,656	0	0	0	5,096,656
	5,446,082	3,625,506	232,936	0	9,304,524
PROPERTY AND EQUIPMENT					
Land and improvements	500,000	0	375,130	0	875,130
Building and improvements	1,977,850	0	4,640,576	0	6,618,426
Automobiles	220,963	0	514,915	0	735,878
Building equipment and furnishings	95,317	0	792,774	0	888,091
Office and MIS equipment	309,371	0	161,682	0	471,053
	3,103,501	0	6,485,077	0	9,588,578
Accumulated depreciation	630,021	0	4,502,524	0	5,132,545
Property and equipment, net	2,473,480	0	1,982,553	0	4,456,033
ASSET HELD FOR SALE	0	0	0	0	0
	<u>\$ 10,992,713</u>	<u>\$ 3,625,506</u>	<u>\$ 2,744,694</u>	<u>\$ 0</u>	<u>\$ 17,362,913</u>
CURRENT LIABILITIES					
Line of credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mortgage and notes payable	0	0	0	0	0
Accounts payable	662,471	0	4,348	0	666,819
Accrued expenses	261,325	0	0	0	261,325
Capital lease payable	0	0	71,940	0	71,940
Deferred revenue	786	0	0	0	786
Total Current Liabilities	924,582	0	76,288	0	1,000,870
LONG TERM LIABILITIES					
Pension liability	93,595	0	0	0	93,595
Capital lease payable	0	0	42,449	0	42,449
Mortgage and notes payable	0	0	0	0	0
Total Long Term Liabilities	93,595	0	42,449	0	136,044
Total Liabilities	1,018,177	0	118,737	0	1,136,914
NET ASSETS					
Without donor restrictions					
Without donor restrictions - general use	4,226,979	0	2,625,957	0	6,852,936
Without donor restrictions - endowment	0	3,001,683	0	0	3,001,683
Total without donor restrictions	4,226,979	3,001,683	2,625,957	0	9,854,619
With donor restrictions	5,747,557	623,823	0	0	6,371,380
Total Net Assets	9,974,536	3,625,506	2,625,957	0	16,225,999
Total Liabilities and Net Assets	<u>\$ 10,992,713</u>	<u>\$ 3,625,506</u>	<u>\$ 2,744,694</u>	<u>\$ 0</u>	<u>\$ 17,362,913</u>

CONSOLIDATING SCHEDULES OF FINANCIAL POSITION

CHILDREN & FAMILIES FIRST
DELAWARE INC.

DECEMBER 31, 2020

	Children & Families First Delaware Inc.	Children & Families First Endowment Inc.	B2W2 Inc.	Elimination Entries	Consolidated Balances
CURRENT ASSETS					
Cash and equivalents	\$ 1,907,636	\$ 0	\$ 447,476	\$ 0	\$ 2,355,112
Accounts receivable	57,821	15,846	1,422,516	(1,496,183)	0
Grants receivable	2,546,102	0	0	(685,493)	1,860,609
Prepaid expenses	253,510	0	0	0	253,510
Total Current Assets	4,765,069	15,846	1,869,992	(2,181,676)	4,469,231
OTHER ASSETS					
Investments	341,668	3,289,763	232,995	0	3,864,426
Beneficial interest in perpetual trusts	4,699,683	0	0	0	4,699,683
	5,041,351	3,289,763	232,995	0	8,564,109
PROPERTY AND EQUIPMENT					
Land and improvements	0	0	473,687	0	473,687
Building and improvements	0	0	5,561,911	0	5,561,911
Automobiles	220,963	0	431,927	0	652,890
Building equipment and furnishings	155,596	0	792,774	0	948,370
Office and MIS equipment	309,371	0	161,682	0	471,053
	685,930	0	7,421,981	0	8,107,911
Accumulated depreciation	626,204	0	4,578,837	0	5,205,041
Property and equipment, net	59,726	0	2,843,144	0	2,902,870
ASSET HELD FOR SALE					
	0	0	0	0	0
	<u>\$ 9,866,146</u>	<u>\$ 3,305,609</u>	<u>\$ 4,946,131</u>	<u>\$ (2,181,676)</u>	<u>\$ 15,936,210</u>
CURRENT LIABILITIES					
Line of credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mortgage and notes payable	0	0	21,333	0	21,333
Accounts payable	1,815,880	140,009	741,111	(2,181,676)	515,324
Accrued expenses	169,546	0	0	0	169,546
Capital lease payable	0	0	78,296	0	78,296
Deferred revenue	224,587	0	0	0	224,587
Total Current Liabilities	2,210,013	140,009	840,740	(2,181,676)	1,009,086
LONG TERM LIABILITIES					
Pension liability	589,077	0	0	0	589,077
Capital lease payable	0	0	115,681	0	115,681
Mortgage and notes payable	0	0	27,621	0	27,621
Total Long Term Liabilities	589,077	0	143,302	0	732,379
Total Liabilities	2,799,090	140,009	984,042	(2,181,676)	1,741,465
NET ASSETS					
Without donor restrictions					
Without donor restrictions - general use	1,481,978	0	3,962,089	0	5,444,067
Without donor restrictions - endowment	0	2,541,777	0	0	2,541,777
Total without donor restrictions	1,481,978	2,541,777	3,962,089	0	7,985,844
With donor restrictions	5,585,078	623,823	0	0	6,208,901
Total Net Assets	7,067,056	3,165,600	3,962,089	0	14,194,745
Total Liabilities and Net Assets	<u>\$ 9,866,146</u>	<u>\$ 3,305,609</u>	<u>\$ 4,946,131</u>	<u>\$ (2,181,676)</u>	<u>\$ 15,936,210</u>

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

CHILDREN & FAMILIES FIRST
DELAWARE INC.

	Children & Families First Delaware Inc.		Children & Families First Endowment Inc.		B2W2	Elimination Entries	Consolidated Balances
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
PUBLIC SUPPORT AND REVENUE							
Public support:							
Received directly							
Contributions and bequests	\$ 238,365	46,466	\$ 0	\$ 0	\$ 0	\$ 0	\$ 284,831
In-kind contributions	2,423,000						2,423,000
Received indirectly							0
Allocation by United Way of Delaware, Inc.	256,517	0	0	0	0	0	256,517
Fundraisers	0	0	0	0	0	0	0
Less: Direct expenses	(2,255)	0	0	0	0	0	(2,255)
Governmental agencies	27,136,488	0	0	0	0	0	27,136,488
Other grants	1,574,789	0	0	0	0	0	1,574,789
Other revenue:							0
Fees for services - referrals	148,602	0	0	0	0	0	148,602
Programs service fees	234,302	0	0	0	0	(158,076)	76,226
Investment income	51,152	0	72,653	0	5,397	0	129,202
Rent income	0	0	0	0	609,323	(578,934)	30,389
Other	85,457	0	0	0	28,380	(40,108)	73,729
Total Public Support and Revenue Before Net Assets Released from Restrictions	32,146,417	46,466	72,653	0	643,100	(777,118)	32,131,518
NET ASSETS RELEASED FROM RESTRICTION	280,960	(280,960)	0	0	0	0	0
TOTAL PUBLIC SUPPORT AND REVENUE	32,427,377	(234,494)	72,653	0	643,100	(777,118)	32,131,518
EXPENSES							
Program services:							
Positive parenting	1,773,795	0	0	0	54,930	(53,616)	1,775,109
Supporting teens	6,856,311	0	0	0	113,919	(111,127)	6,859,103
Healthy babies	3,453,141	0	0	0	100,872	(127,565)	3,426,448
Family resources	12,117,671	0	0	0	203,805	(282,575)	12,038,901
Early childhood	2,063,095	0	0	0	36,738	(34,159)	2,065,674
Older adults	0	0	0	0	0	0	0
Workplace supports	583,964	0	0	0	2,468	(2,349)	584,083
Grief counseling	327,036	0	0	0	14,129	(13,356)	327,809
Program quality and helpline	39,848	0	0	0	7,012	(6,999)	39,861
Total Program Services	27,214,861	0	0	0	533,873	(631,746)	27,116,988
Support services:							
Management and general	3,285,000	0	21,540	0	109,254	(130,985)	3,284,809
Fundraising	275,560	0	0	0	13,474	(14,387)	274,647
Total Support Services	3,560,560	0	21,540	0	122,728	(145,372)	3,559,456
TOTAL EXPENSES	30,775,421	0	21,540	0	656,601	(777,118)	30,676,444
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY	1,651,956	(234,494)	51,113	0	(13,501)	0	1,455,074
NONOPERATING ACTIVITY							
Periodic pension gain	495,482	0	0	0	0	0	495,482
Realized/unrealized gain on investments	8,749	0	320,976	0	(4,086)	0	325,639
Gain on beneficial interest in perpetual trusts	0	396,973	0	0	0	0	396,973
Gain (loss) on sale of assets	0	0	0	0	0	0	0
Transfers	588,814	0	87,817	0	(676,631)	0	0
Total Nonoperating Activities	1,093,045	396,973	408,793	0	(680,717)	0	1,218,094
CHANGE IN NET ASSETS	2,745,001	162,479	459,906	0	(694,218)	0	2,673,168
NET ASSETS							
Beginning of year	1,481,978	5,585,078	2,541,777	623,823	3,962,089	0	14,194,745
Transfers out	0	0	0	0	(641,914)	0	(641,914)
End of year	<u>\$ 4,226,979</u>	<u>5,747,557</u>	<u>\$ 3,001,683</u>	<u>\$ 623,823</u>	<u>\$ 2,625,957</u>	<u>\$ 0</u>	<u>\$ 16,225,999</u>

CONSOLIDATING SCHEDULES OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

CHILDREN & FAMILIES FIRST DELAWARE INC.

	Children & Families First Delaware Inc.		Children & Families First Endowment Inc.		B2W2	Elimination Entries	Consolidated Balances
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
REVENUES, GAINS, AND OTHER SUPPORT:							
Public support:							
Received directly							
Contributions and bequests	\$ 714,709	\$ 94,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 808,755
Received indirectly							
Allocation by United Way of Delaware, Inc.	81,925	0	0	0	0	0	81,925
Fundraisers	3,150	0	0	0	0	0	3,150
Less: Direct expenses	(2,633)	0	0	0	0	0	(2,633)
Governmental agencies	18,100,376	0	0	0	0	0	18,100,376
Other grants	4,748,496	0	0	0	0	0	4,748,496
Other revenue:							
Fees for services - referrals	250,805	0	0	0	0	0	250,805
Programs service fees	201,229	0	0	0	0	(188,891)	12,338
Investment income	199,018	0	60,279	0	5,467	0	264,764
Rent income	0	0	0	0	646,198	(616,773)	29,425
Other	17,779	0	0	0	90,471	(68,271)	39,979
Total Public Support and Revenue							
Before Net Assets Released from Restrictions	24,314,854	94,046	60,279	0	742,136	(873,935)	24,337,380
NET ASSETS RELEASED FROM RESTRICTION	153,610	(153,610)					
TOTAL PUBLIC SUPPORT AND REVENUE	24,468,464	(59,564)	60,279	0	742,136	(873,935)	24,337,380
EXPENSES AND LOSSES:							
Program services:							
Positive parenting	1,781,572	0	0	0	68,185	(105,503)	1,744,254
Supporting teens	6,167,562	0	0	0	106,069	(162,534)	6,111,097
Healthy babies	3,393,946	0	0	0	102,576	(155,772)	3,340,750
Family resources	4,279,759	0	0	0	89,452	(141,130)	4,228,081
Early childhood	1,788,182	0	0	0	45,920	(68,666)	1,765,436
Workplace supports	1,416,329	0	0	0	2,424	(3,733)	1,415,020
Grief Counseling	339,947	0	0	0	16,566	(24,652)	331,861
Program quality and helpline	(10,926)	0	0	0	7,048	(10,640)	(14,518)
Total Program Services	19,156,371	0	0	0	438,240	(672,630)	18,921,981
Support services:							
Management and general	2,256,905	0	19,181	0	111,508	(179,926)	2,207,668
Fundraising	299,418	0	0	0	13,542	(21,379)	291,581
Total Support Services	2,556,323	0	19,181	0	125,050	(201,305)	2,499,249
TOTAL EXPENSES AND LOSSES	21,712,694	0	19,181	0	563,290	(873,935)	21,421,230
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY	2,755,770	(59,564)	41,098	0	178,846	0	2,916,150
NONOPERATING ACTIVITY							
Periodic pension gain	11,962	0	0	0	0	0	11,962
Realized/unrealized gain (loss) on investments	(4,352)	0	202,275	0	7,484	0	205,407
Gain on beneficial interest in perpetual trusts	0	179,816	0	0	0	0	179,816
Transfers	140,009	0	(51,347)	0	(88,662)	0	0
Total Nonoperating Activities	147,619	179,816	150,928	0	(81,178)	0	397,185
CHANGE IN NET ASSETS	2,903,389	120,252	192,026	0	97,668	0	3,313,335
NET ASSETS							
Beginning of year	(1,421,411)	5,464,826	2,349,751	623,823	3,864,421	0	10,881,410
Transfers	0	0	0	0	0	0	0
End of year	\$ 1,481,978	\$ 5,585,078	\$ 2,541,777	\$ 623,823	\$ 3,962,089	\$ 0	\$ 14,194,745