

SOCIAL AND VOLUNTARY SERVICES COMMISSION FUNDING REQUEST

Legal Name of Agency: Center for Children and Families, Inc.
Mailing Address: 1151 East Main Street, Norman, OK 73071
Application completed by: Liz Biolley, Director of Administrative Support
Telephone Number: 405-364-1420
Email Address: lbioolley@ccfinorman.org

Amount of Funding Request: \$15,000

In what year was your Agency incorporated: 1969

Are you associated with a national organization: No

Number of volunteers: 732 (2012)

How many hours do volunteers donate: 13,268 (2012)

How much money do volunteers save the agency: \$380,062 (2012)

Has your Agency applied for SVSC funds before: Yes

Year 2012 Amount \$10,000 Purpose Snacks and program materials

Year 2011 Amount \$7,500 Purpose Snacks and program materials

Year 2010 Amount \$7,500 Purpose Snacks and program materials

Year 2009 Amount \$5,000 Purpose Snacks and program materials

Year 2008 Amount \$3,000 Purpose Snacks and program materials

Year 2007 Amount \$ 5,000 Purpose Software

Year 2006 Amount \$2,500 Purpose Children's Program Activities

Year 2005 Amount \$2,000 Purpose Children's Program Activities

Year 2004 Amount \$2,000 Purpose Children's Program Activities

Financial Information from the last fiscal year:

Percent of the budget which is spent on fund-raising:	<u>10 %</u>
Percent of your budget spent on programs:	<u>83 %</u>
Percent of your budget spent on administrative expenses:	<u>7 %</u>

Percentage of Organizational funding:

Religious Organizations	<u>.5%</u>
Civic Clubs	<u>.5%</u>
Corporate Donors	<u>3.3%</u>
Endowment/Interest Income	<u>0%</u>
Fees for services/products	<u>2.4%</u>
Government Grants	<u>21.9%</u>
Government Contracts	
Individual Donors	<u>57.4%</u>
Private Foundations	<u>8.3%</u>
Special Events (based on net earnings)	
United Way	<u>5.1%</u>
Other	<u>.5%</u>

OVERALL MISSION OF AGENCY

For the last 43 years, the Center for Children and Families, Inc. (CCFI) has been working with the youngest, most vulnerable children and families in our community to both prevent and heal the impact of abuse and/or neglect. *CCFI's mission is to improve the lives of children through partnerships with families and communities because every boy and girl deserves to grow up safe, nurtured, and loved.* In 2012, CCFI served 1,881 unduplicated clients primarily in Cleveland and Oklahoma Counties. Approximately 80% are City of Norman residents. Most of the children served by CCFI are between 0 and 12 years old and approximately 90% of CCFI's clients are at or below 200% of poverty. Though poverty alone does not cause child abuse and neglect, research is clear that children living in high poverty households are significantly more likely to experience child abuse and/or neglect as well as other adverse childhood experiences (e.g., parental abandonment and substance abuse, domestic violence, etc.). Given this context, CCFI works with partners to achieve the following three outcomes:

1. Heal Children: CCFI provides children's play therapy to victims of abuse and/or neglect and family therapy to foster and adoptive parents in order to heal the negative impact of child abuse and/or neglect. CCFI's clinical team is extensively trained in the leading treatment modalities for addressing trauma and the impact of abuse and/or neglect on a child's developing

brain. CCFI has successfully treated many children and their foster and adoptive parents with these intensive and, often, long-term services. Outcomes achieved in FY 2012 include 93 % of caregivers served maintained their child (ren) in a stable placement and 85% of children who received individual play therapy demonstrated improvement in behaviors.

2. Strengthen Families: CCFI works to strengthen families through a range of services including parent and child assessments, home visits with families at risk for abuse and neglect (including teen parents and parents of newborns), a variety of parent education classes and parent education groups (including teen parent groups in the Moore and Norman Public Schools), Child/Parent Relationship Therapy, mediation, supervised visits and exchanges, temporary foster care for families in crisis, and a diaper and formula closet for low-income families. In 2012, CCFI distributed over 72,000 diapers and 664 cans of formula. Outcomes achieved in FY 2012 include, 77% of parents attending weekly support and education groups demonstrated increased knowledge of child development and positive parenting practices.

3. Empower Youth: CCFI has been building bright futures for Norman's children and youth for the past 15 years through Neighborhood Centers located in two of the highest poverty and crime neighborhoods in Norman. Data from the Norman Police Department has documented significant and sustained decreases in juvenile crime and delinquency in these neighborhoods since the inception of this program in 1998. Youth development and enrichment services involve tutoring, mentoring, field trips, and service learning. Children ages 4 to 17 from two neighborhoods (Kennedy and Wilson Elementary neighborhoods) are served weekly at after school and evening services during the entire school year. CCFI also provides an intensive six week, full-day Summer Youth Enrichment Program for children, as well as four monthly gender-specific mentoring programs that meet outside of the evening and summer services. Family support services (including home visits) are provided to the families of the children served. In 2012 500 children were served at Neighborhoods Centers. 80% of the parents of youth participants reported increases in their children's self-esteem, responsibility, peaceful conflict resolution, and the ability to resist peer pressure. 91% of youth reported increased development in those same areas.

Each year Neighborhood Centers is evolved to meet the changing needs of the neighborhood. Planned enhancements during the 2013-14 school year include expansion of services for students from Adams Elementary and additional small group work using the evidence based curriculum, Mind Up, to promote social emotional development. Outreach nights with free play zones will continue to be offered at each school along with the expanded small group work to facilitate deeper relationships and learning, during mentoring nights.

CCFI continues to grow. Staffing is expected to increase by 7% in FY 2014 to support service expansion.

SPECIFIC PROJECT INFORMATION

Program materials and snacks continue to be a major component of operating expenses at approximately \$30,000 per year. \$15, 000 from SVSC would help CCFI purchase 1) program materials such as games, sports equipment, arts and craft supplies, and field trip fees for children/youth, 2) updated curriculum including parenting books and DVDs for parents, 2) nutritious

snacks for children and youth who come to the office for services or attend Neighborhood Centers, and 3) dinners for monthly support groups, special client events such as Family Fun Nights, and mentoring groups.

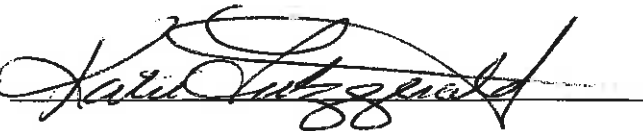
Program materials such as games, sports equipment, arts and craft supplies, and field trip fees provide fun and educational enrichment for children and enhance staff's ability to connect children and youth. Parenting books and DVDs are important educational tools to reinforce and add credibility to lessons provided during individual and group sessions. Providing snacks and special event meals in conjunction with services helps children and families, relax, feel welcomed and nurtured - thereby enhancing their engagement in services. For many of the children and youth we serve, the meals and snacks they get at services are a major source of sustenance and nutrition as they are living in homes where food is scarce and not always consistent or nutritional. Program material and snack costs for Neighborhood Centers are expected to increase in FY 2013-14 due to the purchase of the new Mind Up curriculum and associated materials, standardized outcome instruments, as well as dinners and field trips for the increased number of children and youth expected to participate in mentoring nights

CCFI actively solicits and receives many in kind donations of program materials, snacks, lunches and meals for clients. In 2012, CCFI received over \$200,000 gifts in kind in the form of donated space, diapers, formula, snacks, and materials. CCFI also continued to increase its use of volunteers with 732 volunteers giving more than 13,000 hours of service in 2012. CCFI also collaborates with the Food Bank to obtain snacks for the Neighborhood Centers program. Funds from SVSC will help to cover the cost of purchasing program materials and snacks and meals when in kind donations are not sufficient and allow the programs to have the materials they need to remain effective.

FINANCIAL INFORMATION

The CCFI Business Manager is responsible for entry of all accounting activities and monthly reconciliation processes. The Operations Director is responsible for review of accounting and reconciliation data, and preparation of claims and monthly financial reports. Each month, financial reports including the balance sheet, profit and loss statements, and projection of actual data with comparison to budget are reviewed by the Executive Director, the Finance Committee of the Board of Directors and the full Board of Directors. The Finance Committee is responsible for establishing and monitoring internal controls which are also reviewed during the annual audit. Terry Boehrer, CPA, and partner with Cole & Reed Accounting, is a member of the Finance Committee. An independent audit is performed each year. The previous year (FY 2012-13) budget summary, and the FY 2013-14 budget are attached. The FY 2013-14 budget shows a 6% increase over the 2013-13 budget.

Signature of Authorizing Official



Type or print name: Katie Fitzgerald, MSW Executive Director

Center for Children and Families, Inc.
FY 2012-13 Financial Status Report
Modified Cash Projection

Revenue	Revised Budget	YTD Actual	Variance to Budget
United Way	137,000	137,000	(0)
Individual	96,000	91,231	(4,769)
Corporate	41,049	45,037	3,988
Pledge Payments	345,235	340,161	(5,074)
Foundations	254,096	242,154	(11,942)
Norman Public Schools	32,000	32,000	0
City Fees & Grants	103,850	103,850	0
State Fees and Grants	492,975	487,846	(5,129)
Program Fees	63,361	62,874	(487)
Miscellaneous Revenue	10,540	12,021	1,481
		-	0
Total Revenue	1,576,106	1,554,174	(21,932)
Expenses			
Wages 42 positions, 28.08 FTE	989,207	974,825	(14,382)
Payroll Expenses	248,627	242,459	(6,168)
Total Wages & Payroll Expenses	1,237,834	1,217,284	(20,550)
		-	0
Operating Expenses		-	0
Professional Fees	61,840	53,230	(8,610)
Supplies	39,074	36,196	(2,878)
Telephone Expense	11,500	11,122	(378)
Postage and Shipping	3,000	3,384	384
Occupancy	67,826	67,826	(0)
Outside Printing & Artwork	22,637	18,374	(4,263)
Transportation	16,789	14,676	(2,113)
Conferences, Conventions & Meetings	15,531	20,035	4,504
Subscriptions and Licensure	19,199	17,336	(1,863)
Specific Assistance to Individual.	6,100	10,381	4,281
Rental, Maintenance of Equipment	2,300	2,305	5
Insurance	13,964	14,464	500
Equipment Acquisition	10,000	8,884	(1,116)
Miscellaneous Expenses	14,490	12,370	(2,120)
Cash Reserve	31,522	31,522	0
Unemployment Reserve	2,500	2,500	0
Total Operating Expense	338,272	324,605	(13,667)
		-	0
Total Expenses	1,576,106	1,541,889	(34,217)
		-	0
Revenue	1,576,106	1,554,174	(21,932)
Surplus (Deficit)	-	12,285	12,285

Center for Children and Families, Inc.
FY 2014 (July 1, 2013- June 30, 2014)
Approved BUDGET

Revenue		
		% of Total Revenue
United Way	140,000	United Way 9%
Individual	94,000	Contributions 41%
Corporate	38,049	
Pledge Payments	297,393	
Foundations	232,109	
Norman Public Schools	32,000	Government 41%
City Fees & Grants	102,500	
State Fees and Grants	530,676	
Program Fees	133,658	Fees & Misc 9%
Miscellaneous Revenue	4,350	
Total Revenue	1,604,735	Total 100%
Expense		
		% of Total Expenses
Wages	1,088,073	Wages & Benefits 82%
Payroll Expenses	283,517	
Total Wages & Payroll Expenses	1,371,589	
Positions	45	Staffing
FTE	30.84	
Operating Expenses		
Professional Fees	67,314	Operating Expenses 18%
Supplies	48,597	
Telephone Expense	11,500	
Postage and Shipping	3,000	
Occupancy	67,214	
Outside Printing & Artwork	19,662	
Transportation	19,036	
Conferences, Conventions & Meetings	9,900	
Subscriptions and Licensure	16,894	
Specific Assistance to Individ.	3,100	
Rental, Maintenance of Equipment	2,300	
Insurance	14,372	
Equipment Acquisition	5,000	
Miscellaneous Expenses	9,800	
Cash Reserve	-	
Unemployment reserve	-	
Total Operating Expense	297,688	
Total Expenses	1,669,277	Total 100%
Revenue	1,604,735	
Surplus (Deficit)	(64,543)	% of Expenditures 3.9%

Modified Cash Basis

Center for Children & Families, Inc.
Norman, Oklahoma

***REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

For the Year Ended December 31, 2012

SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants

***630 East 17th Street
P. O. Box 1406
Ada, Oklahoma 74820
(580) 332-8548
FAX: (580) 332-2272
Website: www.saunderscpas.com***

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

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Saunders & Associates, PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Children & Families, Inc.
Norman, Oklahoma

We have audited the accompanying financial statements of Center for Children & Families, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Center for Children & Families, Inc.'s 2011 financial statements, and in our report dated May 8, 2012 we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 of 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 Center for Children & Families, Inc. as of December 31, 2012, 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.

Other-Matter

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2013 on our consideration of Center for Children & Families, Inc.'s internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

April 30, 2013

FINANCIAL INFORMATION

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2012
(With Comparative Totals for 2011)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 207,925	\$ 262,901	\$ 0	\$ 470,826	\$ 158,562
Investments	0	0	20,878	20,878	33,378
Accounts Receivable	263,590	0	0	263,590	396,032
Pledges Receivable	326,010	0	0	326,010	185,731
Reserve for Uncollectible Pledges	(88,690)	0	0	(88,690)	(61,789)
Inventory	9,690	0	0	9,690	9,023
Prepaid Expenses	36,575	0	0	36,575	22,146
Total Current Assets	<u>755,100</u>	<u>262,901</u>	<u>20,878</u>	<u>1,038,879</u>	<u>743,083</u>
Noncurrent Assets:					
Pledges Receivable	0	1,314,075	0	1,314,075	432,156
Deferred Capital Costs	71,235	0	0	71,235	0
Property & Equipment	103,601	0	0	103,601	97,557
Less: Accumulated Depreciation	<u>(94,619)</u>	<u>0</u>	<u>0</u>	<u>(94,619)</u>	<u>(92,407)</u>
Total Noncurrent Assets	<u>80,217</u>	<u>1,314,075</u>	<u>0</u>	<u>1,394,292</u>	<u>437,306</u>
TOTAL ASSETS	\$ <u>835,317</u>	\$ <u>1,576,976</u>	\$ <u>20,878</u>	\$ <u>2,433,171</u>	\$ <u>1,180,389</u>
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts Payable	\$ 4,614	\$ 0	\$ 0	\$ 4,614	\$ 5,641
Accrued Expenses	<u>905</u>	<u>0</u>	<u>0</u>	<u>905</u>	<u>572</u>
Total Current Liabilities	<u>5,519</u>	<u>0</u>	<u>0</u>	<u>5,519</u>	<u>6,213</u>
Noncurrent Liabilities:					
Liability for Compensated Absences	<u>26,261</u>	<u>0</u>	<u>0</u>	<u>26,261</u>	<u>28,845</u>
Total Noncurrent Assets	<u>26,261</u>	<u>0</u>	<u>0</u>	<u>26,261</u>	<u>28,845</u>
Net Assets:					
Undesignated	794,555	1,330,670	0	2,125,225	1,121,637
Designated - Capital Campaign	0	246,306	0	246,306	0
Net Investment in Property & Equipment	8,982	0	0	8,982	5,150
Permanently Restricted	<u>0</u>	<u>0</u>	<u>20,878</u>	<u>20,878</u>	<u>18,544</u>
Total Net Assets	<u>803,537</u>	<u>1,576,976</u>	<u>20,878</u>	<u>2,401,391</u>	<u>1,145,331</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>835,317</u>	\$ <u>1,576,976</u>	\$ <u>20,878</u>	\$ <u>2,433,171</u>	\$ <u>1,180,389</u>

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
REVENUE AND SUPPORT					
Grants and Contracts	\$ 1,289	\$ 592,594	\$ 0	\$ 593,883	\$ 547,397
Contributions	301,106	1,525,626	1,050	1,827,782	483,897
United Way	0	137,600	0	137,600	137,375
Program and Class Fees	0	65,574	0	65,574	51,257
Other Revenue	4,240	0	0	4,240	6,332
In-Kind	83,282	192,233	0	275,515	190,727
Net Assets Released From Restriction:					
Satisfaction of Program and Time Restrictions	1,373,821	(1,373,821)	0	0	0
Total Revenues	1,763,738	1,139,806	1,050	2,904,594	1,416,985
EXPENSES					
Program Expense	1,373,821	0	0	1,373,821	1,169,581
General and Administrative Expenses	118,110	0	0	118,110	120,515
Fund Raising Expense	163,157	0	0	163,157	151,374
Total Expenses	1,655,088	0	0	1,655,088	1,441,470
Increase (Decrease) in Net Assets Before Other Gains and Losses	108,650	1,139,806	1,050	1,249,506	(24,485)
Other Gains and Losses:					
Interest	2,491	158	2	2,651	2,809
Realized Gain (Loss) on Investments	2,806	0	13	2,819	7
Unrealized Gain (Loss) on Investments	(185)	0	1,269	1,084	278
Total Other Gains and Losses	5,112	158	1,284	6,554	3,094
Increase (Decrease) in Net Assets	113,762	1,139,964	2,334	1,256,060	(21,391)
Net Assets, Beginning of Year	689,775	437,012	18,544	1,145,331	1,166,722
NET ASSETS, END OF YEAR	\$ 803,537	\$ 1,576,976	\$ 20,878	\$ 2,401,391	\$ 1,145,331

• The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Divorce Visitation Arbitration	Parents' Assistance	Teenage Parenting	Bringing Up Babies
EXPENSES				
Salaries and Wages	\$ 115,417	\$ 184,653	\$ 33,102	\$ 121,989
Fringe Benefits and Taxes	30,813	48,602	9,632	33,949
Accounting	987	1,527	331	1,055
Advertising	73	139	11	91
Bank Service Charges	0	0	48	0
Client Needs	104	1,107	179	515
Conferences, Conventions & Meetings	337	939	1,388	3,813
Consultants and Contract Labor	15	20	6	14
Depreciation Expense	280	465	50	296
Dues, Subscriptions & Licensure	1,096	1,274	231	1,167
Equipment Rent & Maintenance	246	402	76	286
Equipment Acquisition	645	846	936	2,736
Fundraising Expense	0	0	0	0
Insurance	1,669	2,605	623	1,584
Mileage & Travel	81	69	1,486	6,212
Miscellaneous	200	0	0	(25)
Office Supplies	766	1,348	230	758
OSBI Background Checks	95	393	0	570
Postage	450	387	52	153
Printing & Artwork	2,194	2,114	405	2,306
Program Materials	268	491	13	248
Program Snacks	54	942	153	0
Occupancy	7,321	15,685	3,828	7,445
Telephone	799	1,400	667	1,896
In-Kind Expenses:				
Space	0	45,000	11,155	0
Goods	8,578	16,024	2,023	11,896
Professional Services	5,332	4,495	568	3,338
TOTAL EXPENSES	\$ 177,820	\$ 330,927	\$ 67,193	\$ 202,292

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Neighborhood Centers	Trauma Focused Services	Mental Health Consultation	Total Program Expenses
<u>EXPENSES</u>				
Salaries and Wages	\$ 243,320	\$ 96,849	\$ 0	\$ 795,330
Fringe Benefits and Taxes	47,626	29,346	0	199,968
Accounting	2,080	987	0	6,967
Advertising	160	109	0	583
Bank Service Charges	0	0	0	48
Client Needs	1,209	276	0	3,390
Conferences, Conventions & Meetings	8,707	2,576	0	17,760
Consultants and Contract Labor	3,020	12	12,888	15,975
Depreciation Expense	491	330	0	1,912
Dues, Subscriptions & Licensure	1,636	1,047	0	6,451
Equipment Rent & Maintenance	529	260	0	1,799
Equipment Acquisition	960	571	0	6,694
Fundraising Expense	0	0	0	0
Insurance	3,395	1,520	0	11,396
Mileage & Travel	1,687	556	0	10,091
Miscellaneous	0	0	0	175
Office Supplies	1,287	645	0	5,034
OSBI Background Checks	2,130	320	0	3,508
Postage	548	157	0	1,747
Printing & Artwork	2,730	914	0	10,663
Program Materials	6,486	1,063	0	8,569
Program Snacks	5,987	618	0	7,754
Occupancy	16,449	6,880	0	57,608
Telephone	2,569	835	0	8,166
In-Kind Expenses:				
Space	24,600	2,100	0	82,855
Goods	19,746	10,601	0	68,868
Professional Services	5,540	21,237	0	40,510
TOTAL EXPENSES	\$ 402,892	\$ 179,809	\$ 12,888	\$ 1,373,821

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	General and Administrative Expense	Fund Raising Expense	2012 Total	2011 Total
<u>EXPENSES</u>				
Salaries and Wages	\$ 65,323	\$ 81,755	\$ 942,408	\$ 814,787
Fringe Benefits and Taxes	18,279	17,403	235,650	218,650
Accounting	576	706	8,249	8,058
Advertising	56	86	725	1,458
Bank Service Charges	2,332	534	2,914	1,953
Client Needs	1,319	0	4,709	3,443
Conferences, Conventions & Meetings	4,675	2,290	24,725	30,040
Consultants and Contract Labor	8	16,010	31,993	2,455
Depreciation Expense	137	163	2,212	1,807
Dues, Subscriptions & Licensure	4,349	6,413	17,213	16,725
Equipment Rent & Maintenance	147	179	2,125	7,827
Equipment Acquisition	1,653	340	8,687	0
Fundraising Expense	0	12,083	12,083	0
Insurance	1,101	1,162	13,659	13,054
Mileage & Travel	1,279	531	11,901	13,463
Miscellaneous	2,760	(236)	2,699	1,710
Office Supplies	1,490	1,020	7,544	7,657
OSBI Background Checks	645	59	4,212	2,485
Postage	118	1,421	3,286	3,236
Printing & Artwork	997	6,423	18,083	13,567
Program Materials	568	780	9,917	18,502
Program Snacks	0	6	7,760	5,546
Occupancy	3,408	6,810	67,826	56,416
Telephone	1,483	579	10,228	7,904
In-Kind Expenses:				
Space	0	0	82,855	81,437
Goods	3,877	4,618	77,363	70,004
Professional Services	1,530	2,022	44,062	39,286
TOTAL EXPENSES	\$ 118,110	\$ 163,157	\$ 1,655,088	\$ 1,441,470

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	2012 <u>Total</u>	2011 <u>Total</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 1,249,506	\$ (24,485)
Adjustment to Reconcile change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	2,212	1,807
(Increase) Decrease in:		
Accounts Receivable	132,442	(17,479)
Pledges Receivable	(1,022,198)	(73,903)
Reserve for Uncollectible Pledges	26,901	7,391
Inventory	(667)	(2,740)
Prepaid Expense	(14,429)	(21,717)
Deferred Capital Costs	(71,235)	0
Increase (Decrease) in:		
Accounts Payable	(1,027)	4,059
Accrued Liabilities	(2,251)	(2,473)
Write Off of Receivables	0	0
Cumulative Effect of Accounting Change	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>299,254</u>	<u>(129,540)</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of Capital Assets	(6,044)	0
Increase (Decrease) in Investments	12,500	614
Interest on Deposits	2,651	2,809
Gain (Loss) on Investments	2,819	7
Unrealized Gain (Loss) on Investments	<u>1,084</u>	<u>278</u>
Net Cash Provided (Used) by Investing Activities	<u>13,010</u>	<u>3,708</u>
Increase (Decrease) in Cash	312,264	(125,832)
Cash and Cash Equivalents, Beginning of Year	<u>158,562</u>	<u>284,394</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 470,826</u>	<u>\$ 158,562</u>

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activities – Center for Children & Families, Inc. (CCFI) was incorporated as Juvenile Services, Inc. on August 18, 1969, for the purpose of supporting existing juvenile programs and to improve and expand services for juveniles in Cleveland County. In 1999, the Board of Directors voted to change the name of the organization from Juvenile Services, Inc. to Center for Children & Families, Inc. The programs currently supported by the organization are:

Divorce Services – Support and education for divorced, separated, or never married parents through classes, mediation, counseling and supervised visits and exchanges.

Neighborhood Centers – Provides a mix of academic recreational and cultural activities for young people (grades K-12) after school, during evenings and in the summer. Programs are free of charge and are located in four Norman neighborhoods.

Parents Assistance – Provides support and education for parents struggling day-to-day with abuse, neglect and other related issues through specialized classes and respite care.

Teenage Parenting – Supports pregnant or parenting teens in Norman, Moore, and surrounding cities by providing school-based peer support groups, home visits, parent support and education classes, and need-based transportation.

Trauma Focused Services – Provides therapy, education and support to children with histories of neglect and/or emotional abuse, and their foster or adoptive caregivers.

Baby Pantry – Completely stocked by the community, the Baby Pantry at CCFI provides formula, baby and toddler food, diapers, and other basic necessities to over 100 visitors each month.

Mental Health Consultation – Under this contract with the Oklahoma Department of Mental Health Substance Abuse Services, CCFI furnishes resources to provide consulting services to Griffin Memorial Hospital and Central Oklahoma Mental Health Center.

CCFI is an independent agency funded by grants from the Department of Mental Health and Substance Abuse Services, Department of Human Services, Oklahoma State Department of Health, Department of Education, contracts with governmental entities and donations from individuals, businesses, and other not-for-profit organizations.

Basis of Accounting – Financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, contract funds are recognized as revenue when allowable expenses are incurred and a receivable represents that portion of the contract which CCFI has earned and/or requested, but not received. Expenses are recorded when a liability is incurred. Expenses incurred but not paid at year-end are represented by a liability on the statement of financial position. Grant funds received, but not yet expended for their specified purpose, are recognized as temporarily restricted net assets. Other revenue (i.e. donations) is recognized when received. Net asset balances represent cumulative revenue received over expenses incurred.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Financial Statement Presentation – The financial statements are presented in accordance with generally accepted accounting principles, which require the organization to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as described below.

Unrestricted – These net assets are available for general obligations

Temporarily Restricted – These net assets represent contributions that contain donor imposed stipulations that expire with the passage of time or are fulfilled by the actions of the organization.

Permanently Restricted – These net assets would represent contributions or other assets whose use by the organization is limited by donor imposed stipulations that do not expire with time, or cannot be fulfilled or otherwise removed by actions of the Organization. The investment income earned on these permanently restricted net assets would be either temporarily restricted or unrestricted based upon donor designations.

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

As discussed in Note 5, the Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment – Acquisitions of property and equipment are stated at cost at date of acquisition or fair value at date of donation or contribution. Expenditures for maintenance and repairs are charged to expense as incurred. Assets costing \$1,000 or more are capitalized using the straight-line method based on the estimated useful life of the asset.

Inventory – Inventories are stated at the lower of cost or market value and consist of t-shirts and tote bags sold throughout the year, items donated to be distributed to charitable beneficiaries at the organization's discretion, and items donated for future fund-raising activities.

Income Taxes and Uncertain Tax Positions

Income Tax Status – The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. CONTINUED

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examinations by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2012.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include bank accounts and investments readily convertible to cash.

Concentrations of Credit Risk – Financial instruments that potentially expose CCFI to concentrations of credit risk consist of cash, accounts receivable, and pledges receivable. Cash is deposited in high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation. At December 31, 2012, CCFI had deposits in excess of FDIC coverage totaling \$142,174. Management is in the process of investing these funds in CDARS to eliminate this credit risk. Accounts receivable consist of billings made to grantor agencies for services rendered or under the terms of the various grants and contracts and are considered to be fully collectible. As discussed in Note 5, CCFI has established a reserve for uncollectible pledges to more accurately report risks associated with its pledges receivable.

Use of Estimates – The preparation of financial statements in conformity with 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Information – The financial statements include certain 2011 comparative information. With respect to the statement of activities, such prior information is not presented by net asset class. In the statement of functional expenses, 2011 expenses by object are presented in total rather than by function category. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2011 from which the summarized information was derived.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 2: INVESTMENTS

Investments of the organization consist of the following:

Permanently Restricted

Beneficial Interest in Assets Held by Others

CCFI has placed funds with the following foundations to be held in endowment funds.

<u>Communities Foundation of Oklahoma</u>	<u>2012</u>	<u>2011</u>
Balance, Beginning of Year	\$ 605	\$ 615
Interest and Dividends	2	25
Realized Gains (Losses)	13	7
Unrealized Gains (Losses)	44	(41)
Management Fees	(3)	(1)
Balance, End of Year	<u>\$ 661</u>	<u>\$ 605</u>

Permanently Restricted, continued

<u>Oklahoma City Community Foundation</u>	<u>2012</u>	<u>2011</u>
Balance, Beginning of Year	\$ 17,939	\$ 12,891
Reciprocal Transfers	0	4,545
Reinvestment of Allocation	1,050	1,176
Distribution	0	(603)
Unrealized Gains (Losses)	1,228	(70)
Balance, End of Year	<u>\$ 20,217</u>	<u>\$ 17,939</u>
 Total Permanently Restricted Investments	 <u>\$ 20,878</u>	 <u>\$ 18,544</u>

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Fair values are determined by reference to quoted market prices and other relevant information generated by market transactions. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Restricted gains and investment income whose restrictions are met in the same reporting period are reported as unrestricted income.

Both the Communities Foundation of Oklahoma and the Oklahoma City Community Foundation also receive donations designated for CCFI by other donors. Both Foundations have been granted variance power and have the authority to distribute those donations as they see fit; therefore, those donations are not reflected in the Organization's financial statements. The corpus of the funds may not be withdrawn; however, income distributed to the organization by the funds may be used for any purpose. The interest in the endowment funds is recorded in the financial statements in accordance with generally accepted accounting principles and relevant funding agreements. At December 31, 2012, the market value of investments attributable to third-part donors equaled \$53,644 held by the Oklahoma City Community Foundation.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 2: INVESTMENTS, CONTINUED

Endowment Investment and Spending Policies

The Foundations have adopted investment and spending policies, approved by their respective Boards of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The primary objective of the investments will be to provide for long-term return growth of principle and income without undue exposure to risk enabling the Foundations to make grants on a continuing and reasonably consistent basis. Therefore, the focus is on consistent long-term capital appreciation, with income generation as a secondary consideration. The Foundations' target is a diversified asset allocation that will enable the foundations to achieve their long-term return objectives within prudent risk parameters.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consists of requests for advances and/or reimbursements to grantor and pass-through agencies for grant funds, as well as balances due from individuals and organizations for program fees.

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable consist of the following at December 31, 2012.

Due in 1 year	\$ 326,010
Due in 2 – 5 years	989,009
Due in 6 – 10 years	<u>325,066</u>
TOTAL	<u>\$ 1,640,085</u>

NOTE 5: RESERVE FOR UNCOLLECTIBLE PLEDGES

A reserve for uncollectible pledges has been established in order to more accurately reflect the value of pledges receivable. Based on historical information and trend analysis, management has established the reserve at 12% of total pledges receivable which equaled \$88,690 on December 31, 2012. In 2011, the reserve equaled \$61,789 which represented 10% of total pledges.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2012, consist of the following:

	Balance <u>12/31/11</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/12</u>
Furniture and Fixtures	\$ 13,724	\$ 0	\$ 0	\$ 13,724
Office Equipment	56,467	2,052	0	58,519
Playroom Equipment	2,190	3,992	0	6,182
Leasehold Improvements	<u>25,176</u>	<u>0</u>	<u>0</u>	<u>25,176</u>
	97,557	\$(6,044)	\$ 0	103,601
Less Accumulated Depreciation	<u>(92,407)</u>			<u>(94,619)</u>
Net Property and Equipment	<u>\$ 5,150</u>	<u>\$(2,212)</u>	<u>\$ 0</u>	<u>\$ 8,982</u>

Current year depreciation expense equaled \$2,212.

Deferred Capital Costs – Center for Children & Families Inc. has received \$71,235 in donated professional services related to the acquisition and renovation of a building. Generally accepted accounting standards (ASC 958-605-25-16) requires the fair value of these services to be capitalized if they create or enhance a non-financial asset. These costs have been recorded as deferred capital costs and will be reclassified and capitalized upon finalization of purchase of the property.

NOTE 7: FAIR VALUE MEASUREMENT

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2012 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Investments:		
Community Foundation of Oklahoma	\$ 661	\$ 661
Oklahoma City Community Foundation	<u>20,217</u>	<u>20,217</u>
Total Investments	<u>\$ 20,878</u>	<u>\$ 20,878</u>

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 7: FAIR VALUE MEASUREMENT, CONTINUED

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2011 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Investments:		
Market Index Fund	\$ 14,834	\$ 14,834
Community Foundation of Oklahoma	605	605
Oklahoma City Community Foundation	<u>17,939</u>	<u>17,939</u>
Total Investments	<u>\$ 33,378</u>	<u>\$ 33,378</u>

NOTE 8: CONCENTRATIONS

CCFI derives a significant amount of its revenue from service contracts and grants from federal and state agencies. A significant reduction in the level of revenue from these agencies could have a material effect on the organization's programs, activities and operations.

NOTE 9: DONATED MATERIALS AND SERVICES

Donated materials and services are reflected as contributions at their estimated value on the date of receipt based on industry standards. The financial statements include the following in-kind donations:

Space	\$ 82,855
Donated Goods	77,365
Professional Services	<u>44,060</u>
Total	<u>\$ 204,280</u>

(See also, Note 6 regarding Deferred Capital Costs related to donated professional services).

The total in-kind revenue and offsetting expenses and assets are recorded in the financial statements for the year ended December 31, 2011 equaled \$190,727.

No amounts have been reflected in the financial statements for non-professional donated services. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Volunteers provided 11,959 hours of non-professional services in 2012 and 8,959 hours in 2011.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31st consist of the following:

	<u>2012</u>	<u>2011</u>
Restricted for Use in Specific Programs	\$ 14,595	\$ 4,856
Restricted for Use in Subsequent Year	<u>1,560,381</u>	<u>432,156</u>
Total Temporarily Restricted	<u>\$1,576,977</u>	<u>\$ 437,012</u>

NOTE 11: CONTINGENCIES

In the normal course of operations, CCFI receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of the funds. Any liability for a reimbursement which may arise as the result of the audits of the grant funds is not believed to be material.

NOTE 12: COMPENSATED ABSENCES

Employees may accrue 8-20 hours of vacation time per month, depending on years of employment ranging from 3 to 25 years. Employees may accrue maximum days ranging from 12 to 30, again depending upon length of service. At December 31, 2012 and 2011, the organization's liability for compensated absences equaled \$26,261 and \$28,845 respectively.

NOTE 13: EMPLOYEE BENEFIT PLANS

IRC Section 125 Flexible Benefits Plan – The organization maintains a cafeteria plan under Section 125 of the Internal Revenue Code. The benefits offered are medical expense reimbursement and dependent care reimbursement. An employee is eligible to participate if he/she works a minimum of 20 hours per week and may become a participant on the first day of the month following 30 days of employment.

IRC Section 403(b) Plan – Employees have the option to participate in a tax deferred investment plan under Section 403(b) of the Internal Revenue Code. The Board of Directors may vote annually to augment this benefit, based on available financial resources, by a percentage to be determined by the Board of each employee's annual salary. Employees that work a minimum of 20 hours per week are automatically eligible to receive employer contributions. The employer contribution for the years ended December 31, 2012 and 2011 was \$25,997 and \$29,877 respectively.

NOTE 14: LEASE AGREEMENT

CCFI is party to a one-year lease agreement with the Community Services Building for office space. Monthly rental payments under this lease are \$5,501/month. Total rent expense for the years ended December 31, 2012 and 2011 equaled \$66,012 and \$55,217, respectively.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 15: RELATED PARTY TRANSACTIONS

CCFI has an agreement with an employee/clinical director who pays \$50 per month to use CCFI's offices for private consultations after hours. Rental income for years ended December 31, 2012 and 2011 was \$550 per year and is included in other revenue in the financial statements.

NOTE 16: SUBSEQUENT EVENTS

Management of CCFI has evaluated subsequent events through April 30, 2013, which is the date the financial statements were available to be issued.

Saunders & Associates, PLLC

Certified Public Accountants

630 East 17th Street * P. O. Box 1406 * Ada, Oklahoma 74820 * (580) 332-8548 * FAX: (580) 332-2272
Website: www.saunderscpas.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Center for Children & Families, Inc.
Norman, Oklahoma

We have audited the financial statements of Center for Children & Families, Inc. as of and for the year ended December 31, 2012, and have issued our report thereon dated April 30, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The prior year summarized comparative information has been derived from Center for Children & Families, Inc.'s 2011 financial statements, and in our report dated May 18, 2012 we expressed an unqualified opinion on those financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Center for Children & Families, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center for Children & Families, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Center for Children & Families, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for Children & Families, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance with applicable provisions of laws, regulations, contracts, and grant agreements and the results of our testing, and to provide an opinion on Center for Children & Families, Inc.'s compliance but not to provide an opinion on the effectiveness of Center for Children & Families, Inc.'s internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Children & Families, Inc.'s compliance and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

April 30, 2013

SUPPLEMENTAL INFORMATION

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended December 31, 2012

<u>Program Title/Source</u>	<u>Award</u>	<u>Expenditures</u>
<u>Oklahoma Department of Human Services</u>		
Parent's Assistance Program:		
Child Abuse Prevention (12-13)	\$ 77,223	\$ 41,327
Child Abuse Prevention (11-12)	77,223	43,752
Access and Visitation Services (12-13)	5,000	3,467
Access and Visitation Services (11-12)	5,000	3,298
Total Oklahoma Department of Human Services		<u>91,844</u>
<u>Oklahoma Department of Mental Health</u>		
Divorce Counseling and Support (12-13)	88,851	36,432
Divorce Counseling and Support (11-12)	88,851	39,229
Central Oklahoma Mental Health Center (COMHC) (12-13)	27,500	1,864
Griffin Memorial - Psychosocial Consultation Services (12-13)	12,100	4,516
Griffin Memorial - Psychosocial Consultation Services (11-12)	10,081	7,796
Total Oklahoma Department of Mental Health		<u>89,837</u>
<u>Oklahoma Department of Education</u>		
Oklahoma Parents as Teachers	14,842	7,421
Total Oklahoma Department of Education		<u>7,421</u>
<u>Oklahoma Department of Health</u>		
Community-Based Family Resource and Support (12-13)	193,575	96,095
Community-Based Family Resource and Support (11-12)	135,123	66,246
Total Oklahoma Department of Health		<u>162,341</u>
TOTAL EXPENDITURES OF STATE AWARDS		\$ <u>351,443</u>
In addition to the above listed state funding, CCFI expended the following federal funds:		
		<u>Expenditures</u>
<u>U. S. Department of Justice</u>		
Passed Through Oklahoma District Attorney Council:		
VOCA Program (12-13)	52,776	\$ 28,847
VOCA Program (11-12)	58,486	28,630
Total U. S. Department of Justice		<u>57,477</u>
<u>Corporation for National and Community Service</u>		
Passed Through Oklahoma Community Service Commission:		
AmeriCorps (12-13)	46,500	15,500
AmeriCorps (11-12)	41,400	24,188
Total Corporation for National and Community Services		<u>39,688</u>
<u>U. S. Department of Housing and Urban Development</u>		
Passed Through City of Norman, Oklahoma:		
Community Development Block Grant	---	3,274
Total U. S. Department of Housing and Urban Development		<u>3,274</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ <u>100,439</u>

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

December 31, 2012

None reported.

* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.
Norman, Oklahoma

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2012

None reported.

* The accompanying notes are an integral part of the financial statements.

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: May 8, 2000

Person to Contact:
Tonya Martin 31-03017
Customer Service Representative
Toll Free Telephone Number:
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
73-0933253

**Center for Children and Families, Inc.
1151 East Main Street
Norman, OK 73071**

Dear Sir or Madam:

We have received the copy of the Amended Articles of Incorporation filed with the State of Oklahoma, on January 25, 2000, indicating that your name has been changed from Juvenile Services, Inc. to the name shown above.

Our records indicate that a determination letter issued in April 1970 granting your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Center for Children and Families, Inc.
73-0933253

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Padilla".

Robert C. Padilla
Manager, Customer Service

Center for Children & Families, Inc.

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Center for Children & Families, Inc.

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Clinical Director	Baker, Heather L
Operations Director	Biolley, Elizabeth
Resource Director	Barnhart, Erin
Communications Specialist	Wilson, Sara E
Data & Quality Assurance Manager	Cook, Rachelle
Business Manager	Keith, Katherine P
Administrative Specialist	Hughes, Michelle
Resource Coordinator	Mackey, Christie
Administrative Data Specialist	Soper, Linda
Resource Specialist	Humphrey, Briana N
Senior Program Specialist	Wells, Tiffany
Senior Program Specialist	Hooks, Vernon
Senior Program Specialist	Miller, Charlene D
Senior Program Specialist	Conway, Jessica
Senior Program Specialist	Nedbalek, Kelley G
Senior Program Specialist	Rook, Aimee N
Program Specialist	Perry, Kristina M
Program Specialist	Deardorf, Emily
Program Specialist	Gleason, Katelyn N
Program Specialist	Wade, Ashley
Program Specialist	Reid, Olivia
Program Specialist	Dechant, Ashley N
Program Specialist	Martinez, Elizabeth
Oklahoma Serves Member	Avant, Ayla M
Oklahoma Serves Member	Tracy, Anna G
Oklahoma Serves Member	Hollifield, Melody
Oklahoma Serves Member	Lee, Lauren
Oklahoma Serves Member	Evans, Briana
Oklahoma Serves Member	Dockery, Jerrame D
Oklahoma Serves Member	Wright, Miranda M.
Part Time Youth Specialist	Boothby, Seth
Part Time Youth Specialist	Swanson, Joseph N
Part Time Youth Specialist	Wright, Marissa
Part Time Youth Specialist	Turner, Steven R
Group Leader	Fairbanks, Chris
Group Leader	Graham, Dana L
Group Leader	Marshall- Gill, Debbie
Group Leader	Oliver, Kim
Group Leader	Wilson, David
Group Leader	Fears, Judith
Group Leader	McIntyre, Kristen
Group Leader	Walls, James M