

SPAULDING FOR CHILDREN

(a nonprofit organization)
SOUTHFIELD, MICHIGAN

**Independent Auditors' Report on the Financial Statements
and Supplementary Information**

For the Year Ended September 30, 2010

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January 15, 2011

Board of Directors
Spaulding for Children
Crossroads Office Center
16250 Northland Drive, Suite 120
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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of Spaulding for Children (a nonprofit organization) as of September 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Spaulding for Children's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spaulding for Children as of September 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2011 on our consideration of Spaulding for Children's internal control over financial reporting and our tests of its compliance and other matters. The purpose of that report is to describe the scope of our 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Spaulding for Children taken as a whole. The accompanying financial information listed as Supplemental Information on pages 17 and 18 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Pfeffer, Hanniford & Palka, P.C.
PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

SPAULDING FOR CHILDREN
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 690,511
Investments	742,440
Accounts receivable	
Services	215,309
Foster care	255,707
Federal treasury	769,237
Prepaid expenses	<u>172,030</u>
 Total current assets	 <u>2,845,234</u>

RESTRICTED ASSETS

Investments	<u>1,156,907</u>
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EQUIPMENT (Note A)

Equipment	220,923
Less: accumulated depreciation	<u>(182,978)</u>
 Net equipment	 <u>37,945</u>

OTHER ASSETS

Donated property	<u>138,000</u>
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 Total assets	 <u><u>\$ 4,178,086</u></u>
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The accompanying notes are an integral part of these financial statements

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 657,449
Salaries payable	208,125
Accrued vacation and compensated absences	132,030
Accrued benefits	16,505
Fees received in advance	609
	<hr/>
Total current liabilities	1,014,718

NET ASSETS

Unrestricted:	
Operating balance	894,010
Board designated - endowment	621,451
Board designated - capital outlay	2,282
Board designated - partners campaign	250,000
Board designated - property, equipment	37,944
Board designated - donated property	138,000
Temporarily restricted - programs	49,639
Temporarily restricted - fiduciary	13,136
Temporarily restricted - Lucci Educational Endowment	(21,812)
Temporarily restricted - Partners Campaign	(7,529)
Temporarily restricted - scholarship fund	37,050
Permanently restricted - Lucci Educational Endowment	163,389
Permanently restricted - Partners campaign	985,808
	<hr/>
Total net assets	3,163,368
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Total liabilities and net assets	\$ 4,178,086

SPAULDING FOR CHILDREN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PRIVATE SUPPORT				
Foundations	\$ 118,702	\$	\$	\$ 118,702
Contributions and bequests	78,298		450	78,748
Indirect public support	84,693			84,693
Special events	70,418			70,418
In-kind donations	8,544			8,544
Total private support	360,655		450	361,105
GOVERNMENT GRANTS				
Federal	5,660,655			5,660,655
REVENUE				
Direct services	1,836,547			1,836,547
Foster family revenue	857,614			857,614
Major contract revenues and grants	333,694			333,694
Training and consultation	110,989			110,989
Publications and video distribution	44,354			44,354
Total revenue	3,183,198			3,183,198
OTHER REVENUE				
Investment income	9,654	13,906		23,560
Gain (loss) on investments	55,091	79,760		134,851
Miscellaneous revenue	98,051	17,446		115,497
Total other revenue	162,796	111,112		273,908
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of program restrictions	12,000	(12,000)		
Total support, grants, revenue and other support	\$ 9,379,304	\$ 99,112	\$ 450	\$ 9,478,866

The accompanying notes are an integral part of these financial statements

SPAULDING FOR CHILDREN

**STATEMENT OF ACTIVITIES (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
EXPENSES				
Program services				
Direct services	\$ 1,975,602	\$	\$	\$ 1,975,602
Foster family payments	857,613			857,613
NRCA/Spaulding Institute	5,313,719			5,313,719
In-kind expenses	8,544			8,544
Total program services	8,155,478			8,155,478
Supporting services				
Management and general	905,685			905,685
Community relations and development	75,472			75,472
Special events direct costs	26,846			26,846
Total supporting services	1,008,003			1,008,003
Other expenses				
Scholarship payment	12,000			12,000
Miscellaneous expense		16,638		16,638
Total other expenses	12,000	16,638		28,638
Total expenses	9,175,481	16,638		9,192,119
Change in net assets	203,823	82,474	450	286,747
NET ASSETS, BEGINNING OF YEAR	1,739,864	(11,990)	1,148,747	2,876,621
NET ASSETS, END OF YEAR	\$ 1,943,687	\$ 70,484	\$ 1,149,197	\$ 3,163,368

The accompanying notes are an integral part of these financial statements

SPAULDING FOR CHILDREN

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Child and Family Services</u>	<u>NRCA/ Spaulding Institute</u>	<u>Management and General</u>	<u>Community Relations and Development</u>	
Salaries	\$ 1,034,436	\$ 850,818	\$ 570,671	\$ 27,266	\$ 2,483,191
Employee benefits	365,476	248,936	159,309	7,783	781,504
Payroll taxes	93,384	74,151	48,444	2,318	218,297
Total salaries and related expenses	<u>1,493,296</u>	<u>1,173,905</u>	<u>778,424</u>	<u>37,367</u>	<u>3,482,992</u>
Professional fees	11,145	13,049	2,304	592	27,090
Consultant fees	48,455	212,722	1,418	300	262,895
Consultant travel	162	91,045		300	91,507
Sub-contracts	77,892	669,623			747,515
Sub-recipient agencies		2,399,653			2,399,653
Computer network	5,029	72,618	2,442	2,239	82,328
Office supplies	27,389	56,310	17,075	2,213	102,987
Program (meeting) supplies	12,445	22,844	3,148	733	39,170
Items for sale		2,104			2,104
Training/technical assistance		11,510			11,510
Rental and maintenance of equipment	10,230	8,032	4,915	245	23,422
Telephone	16,880	18,863	7,268	402	43,413
Postage and shipping	7,597	41,433	1,746	1,639	52,415
Occupancy	121,765	81,435	43,502	2,144	248,846
Printing and agency publications	295	124,104	85	3,418	127,902
Advertising/recruitment	4,741	5,649		7,163	17,553
Travel and local transportation	47,682	15,471	4,244	579	67,976
Out-state travel	1,322	144,927	2,794		149,043
Conference training	12,087	895	1,287	175	14,444
Subscriptions/Publications	157	1,458	1,244		2,859
Family/client assistance	23,335				23,335
Foster parent payments	857,613				857,613
Insurance	17,620	10,112	10,390	308	38,430
Memberships	6,911	11,122	12,389	283	30,705
Special events				26,846	26,846
Board expense			154	1,643	1,797
Other project costs	8,865	121,819			130,684
In-kind expense	8,544				8,544
Community relations				11,224	11,224
Employee relations			6,382		6,382
Miscellaneous expense	7,864	1,652	3,100	2,464	15,080
Total expenses before depreciation	<u>2,829,321</u>	<u>5,312,355</u>	<u>904,311</u>	<u>102,277</u>	<u>9,148,264</u>
Depreciation	12,438	1,364	1,374	41	15,217
Total program expenses	<u>\$ 2,841,759</u>	<u>\$ 5,313,719</u>	<u>\$ 905,685</u>	<u>\$ 102,318</u>	<u>\$ 9,163,481</u>

The accompanying notes are an integral part of these financial statements

SPAULDING FOR CHILDREN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Change in net assets		\$ 286,747
Adjustments to reconcile private support, government grants and revenues over expenses to net cash from (used in) operating activities:		
Loss (gain) on investments	\$ (134,850)	
Depreciation	15,218	
(Increase) decrease in:		
Accounts receivable	25,591	
Prepaid expenses	(77,632)	
Increase (decrease) in:		
Accounts payable and accrued expenses	(78,960)	
Salaries payable	4,351	
Accrued vacation	1,627	
Accrued benefits	(2,657)	
Fee received in advance	<u>(15,538)</u>	
 Total adjustments		 <u>(262,850)</u>
 Net cash flows from operating activities		 <u>23,897</u>

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Proceeds from sale of investments		836,375
Purchase of investments		(841,659)
Purchase of equipment/capital improvements		<u>(5,368)</u>
 Total cash flows (used in) investing activities		 <u>(10,652)</u>
 Increase in cash and cash equivalents		 13,245
 Cash and cash equivalents at beginning of year		 <u>677,266</u>
 Cash and cash equivalents at end of year		 <u><u>\$ 690,511</u></u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

SPAULDING FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Spaulding for Children is a non-profit organization created to place Michigan children who are least well served by other agencies, and demonstrate, teach and advocate innovative approaches to child placement on a national, state and local level. Today the agency is comprised of three (3) service entities:

- Child and Family Services,
- The National Resource Center for Adoption and the,
- Spaulding Institute.

Significant Accounting Policies

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the agency and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. The caption "designated for long-term investment" consists of self imposed restrictions by the board of trustees.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the agency and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the agency. Generally, the donors of these assets permit the agency to use all or part of the income earned on any related investments for general or specific purposes.

Financial Statement Presentation - The agency adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statement of Not-for-Profit Organizations. Under SFAS No. 117, the agency is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted, temporarily restricted, and permanently restricted

In addition, the agency is required to present a statement of cash flows. The agency has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the three classes of net assets. This reclassification had no effect on the change in net assets.

Significant Estimates - The agency records state foster care revenue based on cash payments made by the state. A subsequent periodic reconciliation process occurs to calculate the actual due to/due from the State of Michigan.

Management 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.

Income Tax Status - The agency qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Equipment - Equipment is stated at cost or where applicable appraised value at the date of donation. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is provided for over the estimated useful lives of assets, using the straight-line method.

Cash and Cash Equivalents - Cash and cash equivalents include all highly liquid investment instruments with an original maturity of three months or less.

SPAULDING FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

Cash consists of the following:

<u>Description</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
Chase Bank				
Payroll checking	\$ 94,864	\$ 67,892	\$	\$ 67,892
General checking	23,907	218,834		218,834
General savings	314,831	314,831	21,559	293,272
Certificate of deposit	228,441	228,441	228,441	
Petty cash	800			
Totals	\$ 662,843	\$ 829,998	\$ 250,000	\$ 579,998

Financial Instruments - The agency's accounts receivable and accounts payable are financial instruments which have fair values at September 30, 2010 that approximate their stated carrying amounts at that date.

NOTE B - INVESTMENTS

All investments held at September 30, 2010 had readily determinable fair values and therefore are reported at fair value.

Investments as of September 30, 2010 are summarized as follows:

	<u>Market Value</u>
Unrestricted	
Merrill Lynch	\$ 770,108
Temporarily restricted	
Merrill Lynch	7,710
Permanently restricted	
Merrill Lynch	1,149,197
Total	\$ 1,927,015

Investments held at September 30, 2010 consist of the following:

	<u>Market Value</u>
Mutual funds and equities	\$ 1,899,347
Money market funds	27,668
Total	\$ 1,927,015

Investment returns for the year ended September 30, 2010 are as follows:

	<u>2010</u>
Interest and dividends (net of \$11,705 in fees)	\$ 22,278
Net realized and unrealized gain (loss)	134,850
Total investment return	\$ 157,128

SPAULDING FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE C - ENDOWMENT FUND

In November 1982, the organization used the Warren D. Spaulding Designated Estate Funds to establish the Spaulding for Children Endowment Fund. The board of directors determines on an annual basis the appropriations for general operations and/or specific program purposes. The Endowment Fund is part of the unrestricted net assets

NOTE D - LEASE AGREEMENT

On September 1, 2007 Spaulding for Children entered into a six year lease with Charco Realty. Base monthly rent at September 30, 2010 was \$21,038. According to the terms of the lease the rent schedule is as follows:

09/01/09 - 08/31/10	\$ 20,641/month
09/01/10 - 08/31/11	\$ 21,038/month

Lease expense for the year ended in September 30, 2010 was \$ 248,086.

NOTE E - CONCENTRATION OF RISK AND UNCERTAINTIES

Accounts Receivable

At the balance sheet date, the following amounts recorded as accounts receivable were due from the State of Michigan and federal treasury.

Federal Treasury	\$ 769,237
State of Michigan - adoption	68,920
Foster care - county and state	<u>255,707</u>
	<u>\$ 1,093,864</u>

Investments

The Organization's net assets include investments which at times may be a holder of some of the following instruments: asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by sub-prime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

SPAULDING FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE F - PENSION PLAN

On January 1, 1987, the organization became a participant in a qualified defined contribution pension plan. The organization contributes 7% of the eligible employee wages to the plan. Contributions for the year ending September 30, 2010 were approximately \$162,894.

Employees are included as participants when they reach age twenty-one (21) and have completed six (6) months service. Any employment in a non-profit, health, hospital or social services field within three years will qualify as service for the purpose of eligibility.

Benefits will be fully vested when a participant has completed two (2) years of service.

The following is a summary of the employee benefit plan of Spaulding for Children for the calendar year 2009.

The benefits for the plan are provided by insurance. In total, 106 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all these persons may have earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$1,855,260 as of December 31, 2009, compared to \$1,552,368 as of January 1, 2009. During the plan year the plan experienced an increase in its net assets of \$302,892. This increase includes unrealized appreciation or depreciation in the value of plan assets, that is, the difference between (i) the value of the plan's assets at the end of the year and (ii) the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$342,838 including employer contributions of \$162,894, other contributions including rollovers of \$5,381 and earnings from investments of \$174,563.

NOTE G - TAX DEFERRED ANNUITY PLAN

On December 21, 1984, the organization became a participant in a tax deferred annuity plan. This plan allows employees to defer from federal income taxes up to \$16,500 per year. The organization does not contribute to the plan. Employees are eligible to participate in the plan as of the first day of any calendar month after employment begins.

NOTE H - M. LUCCI EDUCATION ENDOWMENT FUND

This fund was established by the Friends of Mike Lucci to honor him on the occasion of his 25th Annual Golf Tournament benefiting Spaulding for Children. The contributions to this fund are permanently restricted. Earnings are to be used for scholarships for children served by Spaulding for Children.

NOTE I - SCHOLARSHIP FUND

A private donor has established a scholarship fund for the purpose of subsidizing post high school education for children selected by a Spaulding Committee. This fund is temporarily restricted. Principal and interest expense may be used for scholarships.

NOTE J - PARTNERS ENDOWMENT FUND/WILLIAM RANDOLPH HEARST ENDOWMENT

Spaulding for Children has initiated an endowment campaign. The contributions to this fund are permanently restricted with earnings to be used for the purpose of providing additional program resources.

SPAULDING FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE K - VAN DUSEN ENDOWMENT CHALLENGE PROGRAM

Spaulding for Children is a participant in the Community Foundation of Southeastern Michigan's Van Dusen Endowment Challenge Program. All contributions received into this fund are invested and managed by the Community Foundation, and, therefore, are not included in Spaulding's financial statements. Spaulding receives annual grants, based on endowment earnings, each year in perpetuity.

NOTE L - TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by the donors as follows:

Scholarship Fund	\$ 12,000
Total restrictions released	<u>\$ 12,000</u>

The following is a reconciliation of temporarily restricted net assets:

Balance, October 1, 2009	\$ (11,990)
Current year revenues (loss)	94,474
Amounts released from restrictions	<u>(12,000)</u>
Balance, September 30, 2010	<u>\$ 70,484</u>

NOTE M - GRANT ACTIVITIES AND CONTINGENCIES

The various grants received by Spaulding for Children are subject to financial and compliance audits by the grantors or their representatives. The audits for or including the year ended September 30, 2010, have not yet been completed.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2011; the date the financial statements were available to be issued.

NOTE O - INCOME TAX UNCERTAINTY

The organization believes it has the appropriate tax exempt designation.

SUPPLEMENTAL INFORMATION

**SPAULDING FOR CHILDREN
SCHEDULE OF FUNCTIONAL EXPENSE - CHILD AND FAMILY SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	0-3 Secondary Prevention- Wayne	0-3 Secondary Prevention- Macomb	OCC-PP	Adoption	Wendy's Wonderful Kids #1	Wendy's Wonderful Kids #2	Foster Care	Total Expenses
Salaries	\$ 34,722	\$ 16,761	\$ 9,178	\$ 241,602	\$ 44,638	\$ 42,485	\$ 645,050	\$ 1,034,436
Employee benefits	12,631	5,659	3,537	75,188	15,677	15,537	237,247	365,476
Payroll taxes	3,011	1,715	808	21,356	4,014	3,840	58,640	93,384
Total salaries and related	50,364	24,135	13,523	338,146	64,329	61,862	940,937	1,493,296
Professional fees	190	82	77	1,809	362	357	8,268	11,145
Consultant fees				28,887			19,568	48,455
Consultant travel							162	162
Sub-contracts	4,166	72,976	1,853	1,564	85	85	750	77,892
Computer network	89	46	127	5,978	788	540	1,307	5,029
Office supplies	1,095	364	240	2,212	1,385	1,346	18,497	27,389
Program (meeting) supplies	63	240	30	2,123	447	447	7,199	12,445
Rental and maintenance of equipment	287	96	30	2,811	456	621	6,800	10,230
Telephone	448	176	211	2,174	217	111	12,157	16,880
Postage and shipping	141	46	15	1,749	217	111	5,318	7,597
Occupancy	4,179	1,832	1,233	24,039	5,239	5,239	80,004	121,765
Printing and agency publications	4			287	2	2		295
Advertising/recruitment				2,653	978	995	115	4,741
Travel and local transportation	1,878	426	311	10,318	3,331	1,983	29,435	47,682
Out-state travel		1,050		272				1,322
Conference training		1,559	8,239	752		125	1,412	12,087
Subscriptions/Publications		20					137	157
Family/client assistance	5,482	901	327	322			16,303	23,335
Foster parent payments							857,613	857,613
Insurance	541	223	152	3,100	676	676	12,252	17,620
Memberships	162			1,474	294	294	4,687	6,911
Other project costs	500	794					7,571	8,865
In-Kind expense	8,051	493						8,544
Miscellaneous expense				7,481		15	368	7,864
Total expenses before	77,640	105,439	26,118	435,977	78,589	74,698	2,030,860	2,829,321
Depreciation	150	53	92	705	155	155	11,128	12,438
Total program expenses	\$ 77,790	\$ 105,492	\$ 26,210	\$ 436,682	\$ 78,744	\$ 74,853	\$ 2,041,988	\$ 2,841,759

**SPAULDING FOR CHILDREN
SCHEDULE OF FUNCTIONAL EXPENSE - NRCA/SPAULDING INSTITUTE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Federal Grants				Product Development and Sales	Total Expenses
	National Resource Center for Adoption	IAATP	Training			
Salaries	\$ 241,667	\$ 568,042	\$ 37,969	\$ 3,140	\$ 850,818	
Employee benefits	74,679	169,081	3,564	1,612	248,936	
Payroll taxes	21,025	49,941	2,889	296	74,151	
Total salaries and related expenses	337,371	787,064	44,422	5,048	1,173,905	
Professional fees	3,134	9,654	154	107	13,049	
Consultant fees	124,666	68,510	19,546		212,722	
Consultant travel	81,306	9,739			91,045	
Sub-contracts	120,000	549,623			669,623	
Sub-recipient agencies		2,399,653			2,399,653	
Computer network	9,123	63,485		10	72,618	
Office supplies	8,073	47,737	26	474	56,310	
Program (meeting) supplies	3,634	18,387	787	36	22,844	
Items for sale				2,104	2,104	
Training/technical assistance	11,510				11,510	
Rental and maintenance of equipment	2,439	5,532		61	8,032	
Telephone	6,355	12,464		44	18,863	
Postage and shipping	5,444	35,171	5	813	41,433	
Occupancy	21,404	48,714	7,031	4,286	81,435	
Printing and agency publications	1,992	112,714		9,398	124,104	
Advertising/recruitment		5,649			5,649	
Travel and local transportation	2,477	5,777	7,217		15,471	
Out-state travel	20,666	123,809	452		144,927	
Conference training		895			895	
Subscriptions/Publications	130	1,071		257	1,458	
Insurance	3,081	6,954		77	10,112	
Memberships	1,936	9,152		34	11,122	
Other project costs	78,655	43,164			121,819	
Miscellaneous expense	902	377		373	1,652	
Total expenses before depreciation	844,298	4,365,295	79,640	23,122	5,312,355	
Depreciation	414	940		10	1,364	
Total program expenses	\$ 844,712	\$ 4,366,235	\$ 79,640	\$ 23,132	\$ 5,313,719	

**SCHEDULES REQUIRED UNDER STATE CONTRACTS
MICHIGAN DEPARTMENT OF HUMAN SERVICES**

SPAULDING FOR CHILDREN
MICHIGAN DEPARTMENT OF HUMAN SERVICES
ADOPTION PROGRAM EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Adoption
Salaries	\$ 241,602
Employee benefits	75,188
Payroll taxes	21,356
Total salaries and related expenses	338,146
Professional fees	1,809
Consultant fees	28,887
Computer network	1,564
Office supplies	5,978
Program (meeting) supplies	2,212
Rental and maintenance of equipment	2,123
Telephone	2,811
Postage and shipping	1,749
Occupancy	24,039
Printing and agency publications	287
Advertising/recruitment	2,653
Travel and local transportation	10,318
Out-state travel	272
Conference training	752
Family/client assistance	322
Insurance	3,100
Memberships	1,474
Miscellaneous expense	7,481
Total expenses before depreciation	435,977
Depreciation	705
Total program expenses	\$ 436,682

SPAULDING FOR CHILDREN
MICHIGAN DEPARTMENT OF HUMAN SERVICES
FOSTER CARE PROGRAM EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Foster Care Program</u>	
	<u>Social Services</u>	<u>Maintenance</u>
Salaries	\$ 645,050	\$
Employee benefits	237,247	
Payroll taxes	58,640	
Total salaries and related expenses	<u>940,937</u>	
Professional fees	8,268	
Consultant fees	19,568	
Consultant travel	162	
Sub-contracts	750	
Computer network	1,307	
Office supplies	18,497	
Program (meeting) supplies	7,199	
Rental and maintenance of equipment	6,800	
Telephone	12,157	
Postage and shipping	5,318	
Occupancy	80,004	
Advertising/recruitment	115	
Travel and local transportation	29,435	
Conference training	1,412	
Subscriptions/Publications	137	
Family/client assistance	16,303	
Foster parent payments		857,613
Insurance	12,252	
Memberships	4,687	
Other project costs	7,571	
Miscellaneous expense	368	
Total expenses before depreciation	<u>1,173,247</u>	<u>857,613</u>
Depreciation	11,128	
Total program expenses	<u>\$ 1,184,375</u>	<u>\$ 857,613</u>