

# **The National Center for Children and Families, Inc.**

Consolidated Financial Statements  
June 30, 2017

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RSM US LLP

## Independent Auditor's Report

To the Board of Trustees  
The National Center for Children and Families, Inc.

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The National Center for Children and Families, Inc. (the Center), which comprise the consolidated statement of financial position as of June 30, 2017, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, (collectively, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2017, 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 – 2016 Financial Statements**

The financial statements of the Center as of and for the year ended June 30, 2016, were audited by other auditors whose report dated November 30, 2016, expressed an unmodified opinion on those audited financial statements

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

*RSM US LLP*

Gaithersburg, Maryland  
November 13, 2017

The National Center for Children and Families, Inc.

Consolidated Statements of Financial Position  
June 30, 2017 and 2016

	2017	2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 148,951	\$ 106,308
Accounts receivable, net	4,143,164	3,750,886
Promises to give, net	265,257	348,606
Prepaid expenses and other assets	380,806	208,413
<b>Total current assets</b>	<b>4,938,178</b>	<b>4,414,213</b>
Investments	558,580	764,999
Property and equipment, net	13,472,735	13,603,130
Deposits and other assets	132,067	123,560
<b>Total assets</b>	<b>\$ 19,101,560</b>	<b>\$ 18,905,902</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 1,051,322	\$ 1,253,727
Accrued expenses	809,198	815,817
Deferred revenue	15,989	20,955
Long-term debt and lines of credit, current	3,075,836	38,068
<b>Total current liabilities</b>	<b>4,952,345</b>	<b>2,128,567</b>
Long-term debt and lines of credit, noncurrent	4,543,670	6,773,749
<b>Total liabilities</b>	<b>9,496,015</b>	<b>8,902,316</b>
Commitments and Contingencies (Notes 10 and 11)		
Net assets:		
Unrestricted	9,113,339	9,479,157
Temporarily restricted	466,206	498,429
Permanently restricted	26,000	26,000
<b>Total net assets</b>	<b>9,605,545</b>	<b>10,003,586</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,101,560</b>	<b>\$ 18,905,902</b>

See notes to consolidated financial statements.

**The National Center for Children and Families, Inc.**

**Consolidated Statement of Activities  
Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017
<b>Public support and revenue:</b>				
Public support:				
Fees and contract income	\$ 17,281,198	\$ -	\$ -	\$ 17,281,198
Grants	520,137	766,250	-	1,286,387
Federal grants and contracts	1,055,577	-	-	1,055,577
Contributions	430,380	40,000	-	470,380
Special-events	244,465	-	-	244,465
In-kind contributions	2,798,071	-	-	2,798,071
Other income	292,393	-	-	292,393
Net assets released from restrictions:				
Satisfaction of restrictions	842,406	(842,406)	-	-
<b>Total public support</b>	<b>23,464,627</b>	<b>(36,156)</b>	<b>-</b>	<b>23,428,471</b>
Investment return:				
Interest and dividends	12,771	-	-	12,771
Net realized/unrealized gain on investments	44,059	3,933	-	47,992
<b>Total investment return</b>	<b>56,830</b>	<b>3,933</b>	<b>-</b>	<b>60,763</b>
<b>Total public support and revenue</b>	<b>23,521,457</b>	<b>(32,223)</b>	<b>-</b>	<b>23,489,234</b>
Expenses:				
Program services:				
IFC Traditional	4,281,468	-	-	4,281,468
IFC Therapeutic	4,226,586	-	-	4,226,586
Greentree Adolescent Program	2,092,739	-	-	2,092,739
The Neediest Kids	1,647,623	-	-	1,647,623
Greentree Shelter	1,328,929	-	-	1,328,929
New Beginning Family Shelter	1,240,700	-	-	1,240,700
Greenleaf Treatment Foster Care - MD	811,036	-	-	811,036
JC Nalle	750,539	-	-	750,539
Futurebound Independent Living	734,628	-	-	734,628
Rapid Rehousing	514,342	-	-	514,342
DC YouthLink	519,558	-	-	519,558
Cara House	459,658	-	-	459,658
Northwood High School Wellness Center	450,252	-	-	450,252
Family Stabilization Program	379,882	-	-	379,882
Rapid Rehousing for Young Adults	188,375	-	-	188,375
The NCCF CDF Freedom School	188,698	-	-	188,698
Futurebound Transitional Housing Program	180,978	-	-	180,978
Betty's House	177,488	-	-	177,488
Avondale Affordable Housing	134,275	-	-	134,275
Project Based Vouchers	76,432	-	-	76,432
Camp Mariposa	71,338	-	-	71,338
IFC Specialized	57,773	-	-	57,773
Respite Program	37,108	-	-	37,108
Heart & Soul	27,141	-	-	27,141
<b>Total program services</b>	<b>20,577,546</b>	<b>-</b>	<b>-</b>	<b>20,577,546</b>
Other expenses:				
Management and general	2,709,561	-	-	2,709,561
Fundraising	600,168	-	-	600,168
<b>Total expenses</b>	<b>23,887,275</b>	<b>-</b>	<b>-</b>	<b>23,887,275</b>
<b>Change in net assets</b>	<b>(365,818)</b>	<b>(32,223)</b>	<b>-</b>	<b>(398,041)</b>
Net assets:				
Beginning of year	9,479,157	498,429	26,000	10,003,586
End of year	\$ 9,113,339	\$ 466,206	\$ 26,000	\$ 9,605,545

See notes to consolidated financial statements.

**The National Center for Children and Families, Inc.**

**Consolidated Statement of Activities  
Year Ended June 30, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016
<b>Public support and revenue:</b>				
Public support:				
Fees and contract income	\$ 19,814,126	\$ -	\$ -	\$ 19,814,126
Grants	450,203	1,008,309	-	1,458,512
Federal grants and contracts	1,206,400	-	-	1,206,400
Contributions	695,671	75,000	-	770,671
Special-events	431,173	-	-	431,173
In-kind contributions	2,798,228	-	-	2,798,228
Other income	194,751	-	-	194,751
Net assets released from restrictions:				
Satisfaction of restrictions	1,726,311	(1,726,311)	-	-
<b>Total public support</b>	<b>27,316,863</b>	<b>(643,002)</b>	<b>-</b>	<b>26,673,861</b>
Investment return:				
Interest and dividends	11,755	-	-	11,755
Net realized/unrealized gain on investments	5,708	1,429	-	7,137
<b>Total investment return</b>	<b>17,463</b>	<b>1,429</b>	<b>-</b>	<b>18,892</b>
<b>Total public support and revenue</b>	<b>27,334,326</b>	<b>(641,573)</b>	<b>-</b>	<b>26,692,753</b>
Expenses:				
Program services:				
IFC Traditional	4,370,292	-	-	4,370,292
DC YouthLink	4,192,648	-	-	4,192,648
IFC Therapeutic	3,885,459	-	-	3,885,459
Greentree Adolescent Program	1,972,151	-	-	1,972,151
The Neediest Kids	1,556,996	-	-	1,556,996
Greentree Shelter	1,399,101	-	-	1,399,101
New Beginning Family Shelter	1,334,871	-	-	1,334,871
Family Stabilization Program	887,125	-	-	887,125
Greenleaf Treatment Foster Care - MD	775,284	-	-	775,284
Futurebound Independent Living	748,159	-	-	748,159
JC Nalle	566,636	-	-	566,636
Rapid Rehousing for Young Adults	421,532	-	-	421,532
Cara House	413,293	-	-	413,293
Greentree School	350,431	-	-	350,431
Rapid Rehousing	250,184	-	-	250,184
Betty's House	177,536	-	-	177,536
Futurebound Transitional Housing Program	173,067	-	-	173,067
The NCCF CDF Freedom School	159,193	-	-	159,193
Camp Mariposa	69,082	-	-	69,082
Avondale Affordable Housing	66,932	-	-	66,932
Heart & Soul	19,472	-	-	19,472
Arise House	15,725	-	-	15,725
<b>Total program services</b>	<b>23,805,169</b>	<b>-</b>	<b>-</b>	<b>23,805,169</b>
Other expenses:				
Management and general	2,288,672	-	-	2,288,672
Fundraising	581,625	-	-	581,625
<b>Total expenses</b>	<b>26,675,466</b>	<b>-</b>	<b>-</b>	<b>26,675,466</b>
<b>Change in net assets</b>	<b>658,860</b>	<b>(641,573)</b>	<b>-</b>	<b>17,287</b>
Net assets:				
Beginning of year	8,820,297	1,140,002	26,000	9,986,299
End of year	\$ 9,479,157	\$ 498,429	\$ 26,000	\$ 10,003,586

**The National Center for Children and Families, Inc.**

**Consolidated Statements of Cash Flows  
Years Ended June 30, 2017 and 2016**

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (398,041)	\$ 17,287
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	533,204	480,200
Amortization of debt acquisition costs	9,346	9,346
Change in allowance for doubtful accounts	46,258	(57,359)
Loss on disposal	-	1,723
Net realized and unrealized gain on investments	(47,992)	(7,137)
(Increase) decrease in:		
Accounts receivable	(438,536)	(313,457)
Promises to give	83,349	162,493
Prepays and other assets	(172,393)	(152,453)
Deposits and other assets	(8,507)	(10,358)
Increase (decrease) in:		
Accounts payable	(202,405)	242,702
Accrued expenses	(6,619)	(141,596)
Deferred revenue	(4,966)	(1,715,384)
<b>Net cash used in operating activities</b>	<b>(607,302)</b>	<b>(1,483,993)</b>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	408,637	508,330
Purchase of investments	(154,226)	(155,484)
Purchase of property and equipment	(402,809)	(171,173)
<b>Net cash (used in) provided by investing activities</b>	<b>(148,398)</b>	<b>181,673</b>
Cash flows from financing activities:		
Advances on line of credit	12,269,041	12,924,662
Repayments on line of credit	(11,458,820)	(11,587,646)
Proceeds from borrowing on long-term debt	7,658	2,070,000
Principal repayments on long-term debt	(19,536)	(2,077,396)
<b>Net cash provided by financing activities</b>	<b>798,343</b>	<b>1,329,620</b>
<b>Net increase in cash and cash equivalents</b>	<b>42,643</b>	<b>27,300</b>
Cash and cash equivalents:		
Beginning of year	106,308	79,008
End of year	\$ 148,951	\$ 106,308
Supplemental disclosures of cash flows information:		
Issuance of note payable in exchange for property acquired	\$ -	\$ 372,683
Cash paid for interest	\$ 117,981	\$ 184,102

See notes to consolidated financial statements.

## The National Center for Children and Families, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Organization and Significant Accounting Policies

The National Center for Children and Families, Inc. (NCCF) was incorporated in the District of Columbia (DC or the District) on January 15, 1915. The purpose of NCCF is to nurture and support vulnerable children, youth and families toward self-worth, dignity, stability and unity through advocacy, outreach, prevention, and treatment services from a Christian perspective. In addition, through a comprehensive community and residential-based service delivery, NCCF enhances individual and family well-being in the areas of health, mental health, education, recreation, housing and employment.

NCCF Holdings LLC (NCCFH) was incorporated in the District on May 22, 2015. The NCCFH was formed to limit the debts and obligations of the assets of NCCF Avondale LLC (NCCFA) in accordance with an operating agreement with the Montgomery County, Maryland (MD) Department of Housing and Community Affairs (Montgomery County). NCCF is the sole member of NCCFH.

NCCFA was incorporated in Maryland on May 26, 2015. NCCFA was formed to hold the assets and liabilities of residential properties located 4519 and 4523 Avondale Street, Bethesda, MD. NCCFH is the sole member of NCCFA. See also Note 7.

**Principles of consolidation:** The financial statements include the accounts of The National Center for Children and Families, Inc. and its consolidated subsidiaries which include NCCF Holdings LLC and NCCF Avondale LLC and collectively referred to as “the Center”. All significant intra-organization accounts and transactions have been eliminated in consolidation.

**Basis of accounting:** The financial statements of the Center are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and have been prepared on the accrual basis of accounting. GAAP also requires that the Center 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.

#### NCCF’s Major Programs:

**Innovative Family Connections:** Innovative Family Connections (IFC) provides traditional, therapeutic and specialized foster care and adoption services for children and youth, who have been abused and neglected, in DC. Services include trauma-informed individual, group and family counseling, behavioral modification, psychiatric and medication management, family reunification and adoption, housing, mentoring and tutoring, educational advocacy and culturally based in-home services.

**Greentree Adolescent Program:** Greentree Adolescent Program (GAP) is a high intensity learning facility which provides a residential community for male adolescents (ages 13-20 years) who do not live with their families due to: long standing family problems, histories of abuse and/or neglect, and significant behavioral and adjustment difficulties.

**The Neediest Kids:** The Neediest Kids provides low-income students across the DC Metro area with the basic essentials they need to get the education they deserve.

**Greentree Shelter:** The Greentree Shelter (GTS), founded in 1983, in Bethesda, MD, serves as an emergency family shelter for Montgomery County homeless families and provides the basic support systems necessary for families to rebuild their lives and transition to safe housing in the community.

**New Beginning Family Shelter:** New Beginning Family Shelter provides temporary shelter and comprehensive support services to homeless families in DC. The shelter serves an average of 50 adults and 70 children each day, and staff assists families with overcoming barriers that have made them homeless in addition to helping them transition to permanent housing.

**Notes to Consolidated Financial Statements**

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

**Greenleaf Treatment Foster Care – MD:** Greenleaf Treatment Foster Care (GTFC) founded in 1995, provides traditional foster care and adoption services for children and youth who have been abused and neglected in the State of Maryland. The program also serves teen mothers and prepares older youth to transition from care, supported by life-long connections with the skills and resources to live independently in the community.

**JC Nalle:** The JC Nalle Community School is a full service community school program, based on a partnership in 1995 with the Freddie Mac Foundation and the DC Public Schools that offers extended day and Saturday School academic instruction, individual, group and family counseling and mental health and social supports, parent education, Adult Basic Education (ABE)/General Equivalency Diploma (GED) instruction to elementary school students and their families in Ward 7 to help them achieve academic excellence.

**Futurebound Independent Living:** Futurebound Independent Living, founded in 1995, is a supervised apartment-based program for older youth who are aging out of the care of public systems and need transitional assistance to live independently in the community. Services include 24-hour staff support and supervision, individualized employment plans, job training and placement services, vocational referrals, substance abuse prevention and education, life skills training, computer literacy skills, community resource referrals, educational planning and advocacy services, housing services, and individual and group counseling.

**Rapid Rehousing:** Rapid Rehousing helps families who are experiencing homelessness to quickly re-access permanent housing by offering transitional housing subsidies for 12 to 15 months, while barriers that have made them homeless are being addressed through intense case management.

**DC YouthLink:** Through a collaborative partnership between the District's Department of Youth Rehabilitative Services and the DC Trust, NCCF manages a network of local community based organizations that provides a diverse array of effective and outcome oriented services to court-involved youth and their families in Wards 7 and 8 of the District. Service areas include: workforce development, mentoring, family support, parent education, mental health, substance abuse education, healthy lifestyles, creative arts, tutoring, adult basic education, GED training and civic engagement.

**Cara House:** The Cara House, founded in 1997, is a community-based, collaborative, therapeutic parenting education center in Ward 7 of the District that helps families avoid unnecessary involvement in the District's child welfare system, and helps provide family permanency, child safety and well-being. NCCF staff provides basic resources and raises community standards for parenting. Programs include parent education, fatherhood initiative, and relative care-giver support.

**Northwood High School Wellness Center:** The Northwood High School (NHS) Wellness Center is an initiative of the Montgomery County Department of Health and Human Services (DHHS). This initiative is a collaborative effort between NCCF, a community based organization, and the Montgomery County DHHS, the funder. Serving youth in grades 9 through 12 at NHS, located in Silver Spring, MD, the NHS Wellness Center integrates health services, mental health counseling, positive youth development activities social services, and parental engagement, creating a full service model in which the community would foster each child's academic dream creatively, in a safe place, and with excellence.

**Family Stabilization Program:** Family Stabilization Program (FSP), founded in 1989, is an 18-month, subsidized transitional housing program for homeless families in Montgomery County, MD, providing access to employment, vocational training, financial literacy, healthcare, parent education, mental health, drug treatment and child care services.

**Notes to Consolidated Financial Statements**

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

**Rapid Rehousing for Young Adults Program:** The Rapid Rehousing for Young Adults Program provides transitional housing and social support services to homeless families in Montgomery County, MD, who have low to moderate barriers to independent living.

**The NCCF Children's Defense Fund Freedom School:** The NCCF Children's Defense Fund (CDF) Freedom School is an after-school and summer camp literacy program that serves children at the District's DC General Family Shelter. Reading themes promote social action and civic engagement.

**Futurebound Transitional Housing Program:** The Futurebound Transitional Housing Program provides housing support case management, and workforce development for young adults, ages 16 to 24, who are homeless or living in unstable situations.

**Betty's House:** Betty's House is located in a single family home in Montgomery County, MD and provides a full complement of support services that enable victims of domestic violence to safely reestablish their lives. This program targets women and their dependent children, who are recent immigrants to the United States and who require additional assistance in transitioning into safe independent living, away from their abuser.

**Avondale Affordable Housing:** Avondale Properties, an affordable housing program, includes two four-unit apartment buildings located in downtown Bethesda, MD. NCCF provides eight families, whose income is 50% below Montgomery County's median income, with permanent affordable housing.

**Project Based Vouchers:** This program began in April 2017 as a partnership with Housing Opportunity Commission (HOC) of Montgomery County and their Housing Choice Voucher (HCV) program. Families receive vouchers directly from HOC, and NCCF acts as landlord to up to 16 families. Vouchers are assigned to specific buildings and clients must reside in that building to receive assistance. The vouchers provide a rent subsidy so that the client pays no more than 40% of their income on housing.

**Camp Mariposa:** Camp Mariposa provides six weekend camp experiences for youth between the ages of 9 and 12 whose families have experienced substance abuse. The camp, located in Edgewater MD, provides a safe and free environment for youth to explore and discuss their families' substance abuse and its impact and come to an understanding that it is not their fault.

**Respite Program:** This program is a three-bed community-based, residential program located off Muncaster Mill Road in Derwood, MD. The youth are referred from Montgomery County DHHS. The Respite Program serves adolescent males between the ages of 18-24 years old that have experienced family conflict, and require respite care for a period of 90 days.

**Heart & Soul Catering Company:** Heart & Soul Catering Company (HSCC) is NCCF's catering entrepreneurship, intended to open up concrete opportunities for high-risk youth residing in NCCF's residential programs, between the ages of 13 to 20, to help them develop a strong work ethic and skills needed for gainful employment. This unique program is designed as a social enterprise that offers participants practical work experience in food manufacturing and catering while providing them job readiness skills that are critical to obtaining and maintaining employment and the ability to live self-sufficiently. Further, HSCC teaches critical life skills related to cooking, nutrition, food safety, financial literacy and social skills.

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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

**Greentree School:** The Greentree School, founded in 1993, is an approved Type III Education day school for newly placed Greentree Adolescent Program (GAP) residents in transition to new public school placements and provides a transitional instructional program to youth in out-of-home care as they await transition to public or private schools in the community. The Greentree School ensures that all GAP residents receive the most appropriate education in the least restrictive environment. The Greentree School also provides GED instruction, educational advocacy and after-school tutoring. This program ended in fiscal year 2016.

**Arise House:** Arise House is a transitional housing program for young mothers ages 18-24, and their children, who are homeless, in Montgomery County, MD. Arise House has the capacity to house up to three small families and provides a full complement of support services that enable these women and children to re-establish their lives, safely. The primary objective is to increase self-sufficiency and housing stability by offering a transitional housing option that includes holistic supportive services. Services include housing up to 24 months, intensive case management, client advocacy and referrals, and life skills training. This program ended in fiscal year 2016.

**Cash and cash equivalents:** NCCF considers petty cash and all highly liquid instruments, including those segregated and used for current operations that have an original maturity of three months or less, to be cash and cash equivalents, except those included as part of the investment portfolio.

**Accounts receivable:** Accounts receivable are uncollateralized obligations from organizations and government entities that have granted funds through exchange transactions and generally require payment within thirty days from the invoice date. Receivables are stated at the invoice amount. Unpaid accounts do not incur late fees or accrue interest.

Payments of accounts receivable are applied to the specific invoices identified on the remittance advice or, if unspecified, to the earliest unpaid invoices. When appropriate, the carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts and the aging of the accounts receivable. Uncollectible amounts will be written off when all efforts to collect these receivables have been exhausted.

**Promises to give:** Unconditional promises to give, less an allowance for uncollectible amounts and net of a discount if the promises to give are due in more than one year, are recorded as contribution revenue and receivables in the year made. All promises to give were due within one year, hence no discount was recorded for 2017 or 2016.

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

NCCF invests in a professionally managed portfolio that contains equity securities, fixed income and mutual funds. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the financial statements.

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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

**Investments:** GAAP requires that NCCF account for investments in equity securities with readily determinable fair values and all investments in debt securities at fair value in the statements of financial position. Changes in unrealized and realized gains and losses are recognized in the statements of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are reported on the ex-dividend date.

**Property and equipment:** Property and equipment is stated at cost less accumulated depreciation. The Center capitalizes and depreciates all assets over \$1,000. Depreciation expense is calculated using the straight-line method over the estimated useful lives of 5-40 years for building and improvements and 3-20 years for furniture, equipment and automobiles. When assets are sold or retired, the asset and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expenses when incurred.

**Debt acquisition costs:** Debt acquisition costs include the costs related to obtaining the various long-term debt of NCCF and are being amortized using the effective interest method over the life of the respective long-term debt. At June 30, 2017 and 2016, total accumulated amortization related to the debt acquisition costs was \$41,281 and \$31,935, respectively.

**Support and revenue:** Revenue is recorded as fees and contract income when NCCF has to perform services related to housing and educational classes with the State of Maryland and the District of Columbia under various contracts in order to earn income. In such cases, revenue is recognized when the services are performed. Accordingly, deferred revenue is recorded on these types of grants when cash is received in advance of the services being performed. Federal grants and contracts revenue is recognized as expenses are incurred.

Contributions and grants, when representing unconditional promises to give on behalf of the donor, are recorded when the promise to give is received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is reported or as an increase in temporarily or permanently restricted net assets if the restriction lasts for more than one year.

Special event revenue is recorded in the period the event occurs. Cash received for events occurring in the subsequent fiscal year are recorded as deferred revenue.

**Donated goods and services:** Contributions of donated non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The value of volunteers' contributed personal time is not recorded in the financial statements.

**Functional allocation of expenses:** NCCF allocates salaries and fringe benefits to various programs and supporting services based upon the actual amounts of time worked in each area. Management and general expenses are allocated to various programs and supporting services based on total program expenses.

## The National Center for Children and Families, Inc.

### Notes to Consolidated Financial Statements

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

**Use of estimates:** The preparation of financial statements in conformity with GAAP 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.

**Reclassifications:** Certain items in the June 30, 2016, financial statements have been reclassified to conform to the June 30, 2017, financial statement presentation. The reclassifications had no effect on the previously reported net assets or change in net assets.

**Adopted accounting pronouncement:** In December 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, *Simplified Presentation of Debt Issuance Cost*. It is intended to simplify GAAP by changing the presentation of debt issuance costs. Under the new standard, deferred financing cost is presented as a reduction of the carrying amount of the related liability, rather than as an asset. The new treatment is consistent with the presentation for debt discounts. It takes effect for the fiscal year beginning after December 2015. The Center adopted the ASU during the year ended June 30, 2017 and it has been retroactively applied to 2016. See Note 7.

**Recent accounting pronouncements:** In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier applicable is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management is currently evaluating the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, along with various updates in 2016 and 2015, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. Management has not yet selected a transition method and is currently evaluating the effect that the ASU will have on its financial statements.

In August, 2016, the FASB has issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, to address diversity in how certain cash receipts and cash payments are presented and classified in the statements of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. Management is currently evaluating the impact of this ASU on its financial statements.

## The National Center for Children and Families, Inc.

### Notes to Consolidated Financial Statements

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#### **Note 1. Nature of Organization and Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for fiscal years beginning after December 15, 2019 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

**Tax status:** NCCF has been granted an exemption by the Internal Revenue Service (IRS) from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that NCCF is not a private foundation. NCCF is required to report unrelated business income to the Internal Revenue Service and the District of Columbia. NCCF did not have any net unrelated business income for the years ended June 30, 2017 and 2016.

NCCFH is a single member LLC for federal purposes and, as such it is treated as a disregarded entity for income tax reporting purposes. Consequently, income tax attributes flow through to NCCF. There was no income tax expense reported for the years ended June 30, 2017 and 2016.

NCCFA is a single member LLC for federal and state purposes and, as such it is treated as a disregarded entity for income tax reporting purposes. Consequently, income tax attributes flow through to NCCFH. There was no income tax expense reported for the years ended June 30, 2017 and 2016.

The Center has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Center 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 Center's financial position, results of activities or cash flows. Accordingly, the Center has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2017. The Center is still open to examination by taxing authorities from 2014 forward.

**Subsequent events:** The Center evaluated subsequent events through November 13, 2017, which is the date the financial statements were available to be issued.

#### **Note 2. Accounts Receivable**

Substantially all of NCCF's accounts receivable are due from federal, state or county governments or agencies. Accounts receivable of \$4,143,164 and \$3,750,886 are recorded net of an allowance for doubtful accounts of \$60,000 and \$13,742 at June 30, 2017 and 2016, respectively.

#### **Note 3. Promises to Give**

Promises to give are due within one year from various donors to NCCF. Promises to give of \$265,257 and \$348,606 are recorded net of allowance for doubtful accounts of \$14,646 at June 30, 2017 and 2016, respectively.

## The National Center for Children and Families, Inc.

### Notes to Consolidated Financial Statements

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#### Note 4. Investments

Investments are carried at fair market value and consist of the following at June 30:

	2017	2016
Equities	\$ 300,219	\$ 189,844
Fixed income	166,382	129,490
Mutual funds	41,279	27,841
Cash	50,700	417,824
	<u>\$ 558,580</u>	<u>\$ 764,999</u>

Included in investments are permanently restricted assets for a scholarship fund. These funds are maintained in a separate account along with earnings, which have been accumulating since August 1987. These earnings are temporarily restricted for scholarships. The market value of this fund was \$81,067 and \$74,202 as of June 30, 2017 and 2016, respectively.

#### Note 5. Fair Value Measurements

In accordance with Accounting Standards Codification (ASC) 820, Fair Value Measurement, NCCF has categorized its financial assets, based on the priority of the inputs to the valuation technique, into a three level fair value hierarchy. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value and are as follows:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

In determining the appropriate levels, NCCF performs a detailed analysis of the assets and liabilities that are subject to the standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by NCCF at June 30, 2017.

NCCF's equity securities and mutual funds are publicly traded on the New York Stock Exchange and are considered Level 1 items. The corporate bonds, municipal taxable bonds and U.S. treasury bills are classified as Level 2 because the underlying assets being observable market-based inputs, but the assets are not publicly traded in active markets.

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

**Note 5. Fair Value Measurements (Continued)**

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2017:

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
<b>Equities:</b>				
Information technology	\$ 64,410	\$ -	\$ -	\$ 64,410
Healthcare	55,541	-	-	55,541
Financials	45,190	-	-	45,190
Consumer staples	32,718	-	-	32,718
Industrials	31,831	-	-	31,831
Consumer discretionary	28,421	-	-	28,421
Energy	14,017	-	-	14,017
Telcomm Services	8,039	-	-	8,039
Utilities	8,031	-	-	8,031
Real Estate	6,711	-	-	6,711
Materials	5,310	-	-	5,310
	<u>300,219</u>	<u>-</u>	<u>-</u>	<u>300,219</u>
<b>Fixed income:</b>				
Corporate bonds	-	103,960	-	103,960
Taxable municipal bonds	-	52,313	-	52,313
U.S. treasury notes	-	10,109	-	10,109
	<u>-</u>	<u>166,382</u>	<u>-</u>	<u>166,382</u>
<b>Mutual funds:</b>				
Short-term bond	21,155	-	-	21,155
Intermediate-term bond	20,124	-	-	20,124
	<u>41,279</u>	<u>-</u>	<u>-</u>	<u>41,279</u>
	<u>\$ 341,498</u>	<u>\$ 166,382</u>	<u>\$ -</u>	<u>\$ 507,880</u>
<b>Total investments:</b>				
Held at fair value				\$ 507,880
Held at cost – cash				50,700
				<u>\$ 558,580</u>

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

**Note 5. Fair Value Measurements (Continued)**

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2016:

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
<b>Equities:</b>				
Information technology	\$ 41,280	\$ -	\$ -	\$ 41,280
Financials	29,223	-	-	29,223
Healthcare	25,783	-	-	25,783
Consumer staples	23,991	-	-	23,991
Consumer discretionary	23,565	-	-	23,565
Industrials	15,571	-	-	15,571
Energy	13,410	-	-	13,410
Utilities	7,669	-	-	7,669
Telcomm Services	6,980	-	-	6,980
Materials	2,372	-	-	2,372
	<u>189,844</u>	<u>-</u>	<u>-</u>	<u>189,844</u>
<b>Fixed income:</b>				
Taxable municipal bonds	-	59,807	-	59,807
Corporate bonds	-	54,558	-	54,558
U.S. treasury notes	-	15,125	-	15,125
	<u>-</u>	<u>129,490</u>	<u>-</u>	<u>129,490</u>
<b>Mutual fund:</b>				
Short-term bond	27,841	-	-	27,841
	<u>27,841</u>	<u>-</u>	<u>-</u>	<u>27,841</u>
	<u>\$ 217,685</u>	<u>\$ 129,490</u>	<u>\$ -</u>	<u>\$ 347,175</u>
<b>Total investments:</b>				
Held at fair value				\$ 347,175
Held at cost - cash				417,824
				<u>\$ 764,999</u>

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 6. Property and Equipment**

The Center held the following property and equipment at June 30:

	2017	2016
Land	\$ 16,117	\$ 16,117
Building and improvements	17,196,115	17,047,016
Furniture, equipment and automobiles	935,216	681,506
	<u>18,147,448</u>	<u>17,744,639</u>
Less accumulated depreciation	(4,674,713)	(4,141,509)
Total property and equipment	<u>\$ 13,472,735</u>	<u>\$ 13,603,130</u>

**Note 7. Long-Term Debt and Lines of Credit**

In June 2016, NCCF entered into a 20-year loan agreement with Montgomery County Housing Initiative Fund (HIF) with a principal of \$2,070,000 at a fixed interest rate of 3%. Monthly principal and interest payments began on January 1, 2017, after which the total principal and interest payment was \$11,480 per month with a maturity date of June 1, 2036. As of June 1, 2016, NCCF is required to pay into a reserve \$3,000 monthly until maturity of the debt for future maintenance. The balance outstanding on the term loan at June 30, 2017, was \$2,051,037.

In June 2016, NCCF refinanced the revolving demand note under a new revolving line of credit agreement with First National Bank of Pennsylvania. The new line of credit account bears a variable interest of one month LIBOR plus 250 basis points adjusted monthly (3.71% at June 30, 2017), with permitted borrowings of up to \$3,000,000. The balance outstanding on the revolving line of credit at June 30, 2017, was \$2,978,862. The line of credit is due June 17, 2018.

The long-term loan agreement and line of credit agreement are secured by the real and personal property and accounts receivable of the building's rent receipts. Both debt agreements also contain various restrictive and financial covenants, including a minimum debt service coverage ratio and minimum tangible net worth of no less than \$8,000,000, which NCCF is subject to test annually based on audited annual financial statements which are due within 180 days of each fiscal year.

NCCF has agreements with the Montgomery County, MD Department of Housing and Community Affairs (Montgomery County) to finance the acquisition, renovation and operation of two four-unit multifamily residential properties located at 4519 and 4523 Avondale Street, Bethesda, MD 20817. Under the agreements, Montgomery County made a commitment to finance up to a maximum borrowing of \$1,250,000 for the acquisition and renovation of the property located at 4519 Avondale, which subsequently was increased to \$1,375,000. A similar commitment was made by Montgomery County to finance up to a maximum amount of \$1,555,000 for the property located at 4523 Avondale. Through June 30, 2017, NCCF has utilized \$1,312,100 and \$1,463,855, respectively, of these amounts and was recorded the borrowings as long-term debt in the accompanying statements of financial position. Payment is due commencing on the third anniversary of the date of each note, provided there is a net cash flow in the operations of the properties. Such net cash flow will be split equally (50:50) between Montgomery County and NCCF.

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 7. Long-Term Debt and Lines of Credit (Continued)**

The loan maturity dates are August 15, 2054 and May 29, 2055, respectively, on which dates Montgomery County at its discretion may forgive all or a portion of the balances or extend the term of the loans. During the fiscal years 2016 and 2015, NCCF did not have net operating cash flows from the Avondale housing program. NCCF is required to submit certain financial reports on a quarterly basis and audited annual financial statements to Montgomery County within 120 days of each fiscal year end. The debts are secured by the residential properties. NCCF obtained a waiver from Montgomery County to provide audited financial statements after 120 days of this fiscal year-end.

The amount of maturities for the long-term borrowings for each of the next five fiscal years and thereafter is as follows:

Years ending June 30:		
2018		\$ 3,075,836
2019		80,237
2020		82,678
2021		85,193
2022		87,784
Thereafter		1,618,171
Total maturities		<u>5,029,899</u>
Avondale loans with undeterminable repayments		2,775,955
Less unamortized debt acquisition costs		(186,348)
		<u><u>\$ 7,619,506</u></u>

**Note 8. Temporarily Restricted Net Assets**

NCCF has the following temporarily restricted net assets due to donor restrictions at June 30:

	2017	2016
The Community Foundation for National Capital Area	\$ 232,499	\$ 296,863
Student scholarships	64,682	60,749
United Way Community Impact Fund Grants	45,000	-
JC Nalle	39,525	39,525
Exceptional School Superintendent Leadership Award Endowment	36,000	-
The Neediest Kids	25,000	50,000
Camp Mariposa	23,500	28,500
Freddie Mac	-	21,291
Montgomery County Council Grant	-	1,501
	<u>\$ 466,206</u>	<u>\$ 498,429</u>

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 8. Temporarily Restricted Net Assets (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose, or expiration of time restrictions specified by donors as follows during the year ended June 30:

	2017	2016
Program and time restrictions expired	\$ 842,406	\$ 1,146,587
Term loan (a)	-	579,724
Total restrictions released	<u>\$ 842,406</u>	<u>\$ 1,726,311</u>

(a) The Montgomery County Department of Housing and Community Affairs (MCDHCA) supported the rehabilitation of the Greentree Shelter by providing a term loan whereby a percentage of the loan was forgiven annually and as such the funding was classified as temporarily restricted. During 2016, MCDHCA forgave the remaining outstanding balance of the term loan and classified as a release from restrictions.

**Note 9. Permanently Restricted Net Assets**

NCCF has the following permanently restricted net assets due to donor restrictions at June 30:

	2017	2016
Student scholarship	\$ 22,071	\$ 22,071
Operational support	3,929	3,929
Total	<u>\$ 26,000</u>	<u>\$ 26,000</u>

**Note 10. Pension Plans**

NCCF has a defined contribution pension plan as described in Section 403(b) of the Internal Revenue Code covering substantially all employees. Participating employees contribute 0% to 5% of compensation to the Plan based on years of service in order to receive NCCF's match. NCCF will match eligible employee contributions from 0% to 10% of compensation (actual percentage is based on years of service). There is a vesting schedule for NCCF's contributions. There was no pension expense for years ended June 30, 2017 and 2016. NCCF temporarily stopped matching contributions in February 2012 as part of the cost curtailment strategy during fiscal year 2012.

During 2015, NCCF established an unfunded supplemental compensation benefit for the Executive Director payable each January. This benefit will be paid annually for five subsequent years starting with January, 2015. The payments are contingent upon the Executive Director's active employment at NCCF and availability of funds. During the fiscal years ended June 30, 2017 and 2016, \$186,825 and \$186,825 of the five-year plan was paid to the Executive Director. Two additional payments of \$186,825 will be due to the Executive Director on January 31, 2018 and 2019, conditional upon her remaining employed at NCCF. An additional \$18,000 was paid to the Executive Director's 457 plan during the year ended June 30, 2017.

**The National Center for Children and Families, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 11. Operating Leases**

NCCF is obligated under the terms of operating leases expiring at various times through 2022 for rental apartments used to provide transitional housing for the homeless. The initial term of each lease is generally one year with options for annual renewals. Rent expense under these leases for the years ended June 30, 2017 and 2016 was \$1,037,677 and \$1,177,148, respectively.

NCCF is obligated under the terms of operating leases through June 2022 for office space. Rent expense on the office space for the years ended June 30, 2017 and 2016, was \$525,268 and \$439,249, respectively.

Subsequent to year end, NCCF executed a new three-year lease agreement for a charter school with monthly payments of \$16,600 with a 3% escalation annually starting October 1, 2017 and are included in the following schedule.

Future minimum rental payments for the office space, apartments and school for the years ending June 30 are as follows:

Years ending June 30:	
2018	\$ 531,167
2019	480,183
2020	495,735
2021	339,960
2022	188,904
	<u>\$ 2,035,949</u>

## Independent Auditor's Report on the Supplementary Information

To the Board of Trustees  
The National Center for Children and Families, Inc.

We have audited the consolidated financial statements of The National Center for Children and Families, Inc. (the Center), as of and for the year ended June 30, 2017, and have issued our report thereon, dated November 13, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying supplementary information 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 as of and for the year ended June 30, 2017, except for budget information and other information marked unaudited, 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, except for the portions marked unaudited on which we express no opinion, the information as of and for the year ended June 30, 2017, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information as of and for the year ended June 30, 2016, was audited by other auditors, whose report, dated November 30, 2016, expressed an unmodified opinion on such information in relation to the consolidated financial statements as a whole.

*RSM US LLP*

Gaithersburg, Maryland  
November 13, 2017

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses  
Year Ended June 30, 2017

	Program Services								
	IFC Traditional	IFC Therapeutic	Greentree Adolescent Program	The Neediest Kids	Greentree Shelter	New Beginning Family Shelter	Greenleaf Treatment Foster Care - MD	JC Nalle	Futurebound Independent Living
Salaries	\$ 1,795,001	\$ 1,932,861	\$ 1,232,612	\$ 84,991	\$ 634,926	\$ 819,333	\$ 231,964	\$ 263,132	\$ 295,152
Payroll taxes and expenses	117,440	164,929	97,710	4,763	41,267	68,582	17,599	32,372	20,742
Staff allowance and benefits	100,426	168,728	77,952	13,478	25,541	48,350	14,451	17,931	41,037
Staff development	58,876	48,862	10,596	16	3,898	9,944	1,364	18,133	1,350
Contracted services	89,901	108,470	60,406	-	9,050	10,800	1,794	135,487	760
Food and food preparation	10,428	10,226	93,458	289	83,604	392	277	22,929	34,472
Recreation	1,670	2,800	27,966	2,240	-	-	-	15,299	1,563
Personal needs and allowances	120,665	105,239	42,706	129,540	441	51,791	8,213	16,050	22,967
Utilities	40,972	32,484	34,157	2,803	79,358	-	9,005	-	9,668
Treatment foster care expenses	1,037,321	885,213	-	-	-	-	318,619	3,306	-
Building and grounds	49,281	51,964	18,447	-	14,151	6,002	1,243	-	2,010
Depreciation	48,304	54,259	87,117	-	42,733	17,953	39,378	24,191	21,169
Insurance	66,097	68,381	47,454	893	19,901	24,628	10,962	12,488	12,195
Rent	282,502	252,517	-	26,672	-	-	-	-	182,518
Supplies	65,455	52,646	14,754	906	11,095	17,904	646	114,450	3,997
Equipment rental and repair	24,796	21,368	9,551	-	18,038	2,057	1,454	1,007	1,493
Printing and copying	14,042	9,686	2,605	300	788	237	1,058	1,197	1,665
Telephone	23,931	22,561	12,979	475	9,150	21,101	4,058	6,878	9,307
Postage	17	13	1,592	-	1,529	-	382	20	44
Membership and subscriptions	13,016	9,921	1,468	424	15	-	585	8	525
Travel and transportation	39,619	48,652	36,995	1,487	2,350	6,859	12,501	7,230	11,576
Other expenses	11,371	9,444	2,587	1,112	349	46	762	13,524	542
Special events	896	704	-	76,058	-	-	-	-	-
In-kind contributions: donated goods	269,441	164,658	179,627	1,301,176	330,745	134,721	134,721	44,907	59,876
<b>Total expenses</b>	<b>4,281,468</b>	<b>4,226,586</b>	<b>2,092,739</b>	<b>1,647,623</b>	<b>1,328,929</b>	<b>1,240,700</b>	<b>811,036</b>	<b>750,539</b>	<b>734,628</b>
Allocation of management and general expenses	403,585	430,019	262,599	37,293	263,884	183,287	277,571	86,910	79,312
<b>Total expenses after internal allocation</b>	<b>\$ 4,685,053</b>	<b>\$ 4,656,605</b>	<b>\$ 2,355,338</b>	<b>\$ 1,684,916</b>	<b>\$ 1,592,813</b>	<b>\$ 1,423,987</b>	<b>\$ 1,088,607</b>	<b>\$ 837,449</b>	<b>\$ 813,940</b>

(Continued)

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses (Continued)  
Year Ended June 30, 2017

	Program Services								
	Rapid Rehousing	Northwood HS Wellness Center	DC YouthLink	Cara House	Family Stabilization Program	Rapid Rehousing for Young Adults	The NCCF CDF Freedom School	Betty's House	Futurebound Transitional Housing Program
Salaries	\$ 117,516	\$ 236,515	\$ 159,199	\$ 255,316	\$ 76,897	\$ 32,954	\$ 6,358	\$ 63,635	\$ 34,723
Payroll taxes and expenses	8,422	18,491	7,582	19,021	9,201	2,051	-	-	2,890
Staff allowance and benefits	9,503	22,047	15,453	21,741	11,035	890	-	-	3,126
Staff development	1,097	6,926	792	1,662	1,849	279	17,467	1,395	223
Contracted services	171	101,798	282,574	33,217	1,827	-	98,934	8,120	-
Food and food preparation	318	8,449	3,732	5,152	1,460	1,200	2,396	895	-
Recreation	-	11,127	-	15,712	-	-	21,257	-	150
Personal needs and allowances	2,252	9,618	237	8,732	6,520	7,016	2,232	500	1,555
Utilities	52	-	-	-	2,090	-	-	12,769	5,484
Treatment foster care expenses	-	-	-	-	-	-	-	-	-
Building and grounds	10,032	-	-	10,192	19,346	2,281	-	3,853	-
Depreciation	18,340	74	-	17,184	130	173	592	18,189	-
Insurance	8,196	7,994	9,629	6,837	4,980	2,828	3,784	2,723	1,058
Rent	301,158	-	-	-	229,923	105,474	-	37,648	79,936
Supplies	1,680	3,855	1,376	1,319	4,184	162	1,806	174	162
Equipment rental and repair	-	-	3,982	434	3,947	-	-	1,146	-
Printing and copying	667	175	1,648	92	525	-	-	911	-
Telephone	1,335	4,233	3,206	14,913	4,614	716	1,082	7,347	6,248
Postage	-	-	-	-	-	-	2	-	-
Membership and subscriptions	-	-	-	60	-	-	15,400	-	-
Travel and transportation	3,590	5,409	876	6,080	1,351	2,413	2,319	3,089	494
Other expenses	75	-	29,272	12,056	3	-	100	125	22
Special events	-	-	-	-	-	-	-	-	-
In-kind contributions: donated goods	29,938	13,541	-	29,938	-	29,938	14,969	14,969	44,907
<b>Total expenses</b>	<b>514,342</b>	<b>450,252</b>	<b>519,558</b>	<b>459,658</b>	<b>379,882</b>	<b>188,375</b>	<b>188,698</b>	<b>177,488</b>	<b>180,978</b>
Allocation of management and general expenses	128,636	172,633	23,082	17,065	79,312	26,437	79,312	52,875	26,437
<b>Total expenses after internal allocation</b>	<b>\$ 642,978</b>	<b>\$ 622,885</b>	<b>\$ 542,640</b>	<b>\$ 476,723</b>	<b>\$ 459,194</b>	<b>\$ 214,812</b>	<b>\$ 268,010</b>	<b>\$ 230,363</b>	<b>\$ 207,415</b>

(Continued)

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses (Continued)  
Year Ended June 30, 2017

	Program Services						Support Services			Total
	Avondale Affordable Housing	Camp Mariposa	Project Based Vouchers	IFC Specialized	Respite Program	Heart & Soul	Total Program Expenses	Management and General	Fundraising	
Salaries	\$ 1,331	\$ 32,638	\$ 11,418	\$ 27,875	\$ 24,184	\$ 11,316	\$ 8,381,847	\$ 1,544,791	\$ 364,525	\$ 10,291,163
Payroll taxes and expenses	66	1,591	-	2,297	758	709	638,483	140,557	29,181	808,221
Staff allowance and benefits	-	-	-	-	(198)	-	591,491	303,574	23,399	918,464
Staff development	-	226	90	-	30	-	185,075	34,038	9,242	228,355
Contracted services	13,562	9,255	-	200	160	9,559	976,045	144,224	22,884	1,143,153
Food and food preparation	-	333	-	-	1,912	5,557	287,479	16,565	2,506	306,550
Recreation	-	3,272	-	-	-	-	103,056	-	100	103,156
Personal needs and allowances	-	22,455	-	-	62	-	558,791	895	-	559,686
Utilities	3,770	-	463	-	-	-	233,075	36,045	10,614	279,734
Treatment foster care expenses	-	-	-	25,128	-	-	2,269,587	-	-	2,269,587
Building and grounds	23,855	-	-	-	191	-	212,848	15,356	1,189	229,393
Depreciation	69,049	-	-	-	-	-	458,835	26,867	47,503	533,205
Insurance	20,040	-	-	1,671	1,383	-	334,122	75,748	7,702	417,572
Rent	-	-	64,461	-	-	-	1,562,809	136	-	1,562,945
Supplies	323	1,343	-	-	3,263	-	301,500	32,371	816	334,687
Equipment rental and repair	648	-	-	-	4,279	-	94,200	27,282	2,550	124,032
Printing and copying	-	-	-	-	-	-	35,596	7,453	12,190	55,239
Telephone	802	-	-	-	512	-	155,448	55,824	1,213	212,485
Postage	-	-	-	-	-	-	3,599	2,993	12,256	18,848
Membership and subscriptions	368	-	-	-	-	-	41,790	12,859	8,387	63,036
Travel and transportation	406	225	-	602	572	-	194,695	24,859	58	219,612
Other expenses	55	-	-	-	-	-	81,445	207,124	40,105	328,674
Special events	-	-	-	-	-	-	77,658	-	3,748	81,406
In-kind contributions: donated goods	-	-	-	-	-	-	2,798,072	-	-	2,798,072
<b>Total expenses</b>	<b>134,275</b>	<b>71,338</b>	<b>76,432</b>	<b>57,773</b>	<b>37,108</b>	<b>27,141</b>	<b>20,577,546</b>	<b>2,709,561</b>	<b>600,168</b>	<b>23,887,275</b>
Allocation of management and general expenses	52,875	26,437	-	-	-	-	2,709,561	(2,709,561)	-	-
<b>Total expenses after internal allocation</b>	<b>\$ 187,150</b>	<b>\$ 97,775</b>	<b>\$ 76,432</b>	<b>\$ 57,773</b>	<b>\$ 37,108</b>	<b>\$ 27,141</b>	<b>\$ 23,287,107</b>	<b>\$ -</b>	<b>\$ 600,168</b>	<b>\$ 23,887,275</b>

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses  
Year Ended June 30, 2016

	Program Services							
	IFC Traditional	DC YouthLink	IFC Therapeutic	Greentree Adolescent Program	The Neediest Kids	Greentree Shelter	New Beginning Family Shelter	Family Stabilization Program
Salaries	\$ 1,782,041	\$ 1,087,470	\$ 1,656,044	\$ 1,099,541	\$ 98,006	\$ 606,719	\$ 837,314	\$ 136,399
Payroll taxes and expenses	114,125	64,968	155,966	121,218	6,436	62,211	64,853	30,256
Staff allowance and benefits	123,719	61,916	149,296	93,586	6,039	23,658	60,397	22,212
Staff development	82,817	21,550	69,559	16,243	157	6,852	12,277	1,303
Contracted services	99,659	2,362,665	150,612	63,393	1,951	17,745	7,901	1,550
Food and food preparation	6,758	8,862	6,862	76,856	-	107,675	7,134	3,501
Recreation	1,254	15,071	1,582	8,846	-	416	-	-
Personal needs and allowances	113,570	131,068	66,518	28,157	291,519	1,396	56,263	58,873
Utilities	38,552	-	31,393	44,055	1,365	80,855	-	2,961
Treatment foster care expenses	1,085,342	-	887,072	-	-	-	-	-
Building and grounds	56,322	9,260	44,253	42,805	1,625	29,287	7,035	27,120
Depreciation	55,398	-	23,748	64,995	-	37,291	20,668	33,569
Insurance	47,227	28,983	54,111	57,669	1,988	25,337	34,305	17,221
Rent	260,691	-	235,381	-	19,430	-	-	466,375
Supplies	64,741	23,766	53,242	9,243	112	11,451	26,562	2,372
Equipment rental and repair	19,675	16,339	13,252	10,282	-	19,393	2,758	4,273
Printing and copying	511	136	348	211	-	370	166	-
Telephone	33,373	11,004	27,016	12,083	610	10,424	23,435	4,996
Postage	1,105	1,025	932	1,262	27	1,308	-	-
Membership and subscriptions	2,770	107	2,872	2,870	21	-	-	-
Travel and transportation	40,452	80,257	45,890	44,532	392	2,310	7,566	4,521
Other expenses	10,176	268,201	8,259	11,207	4,416	1,720	2,169	332
Special events	-	-	-	-	136,864	-	-	-
In-kind contributions: donated goods	330,014	-	201,251	163,097	986,038	352,683	164,068	69,291
<b>Total expenses</b>	<b>4,370,292</b>	<b>4,192,648</b>	<b>3,885,459</b>	<b>1,972,151</b>	<b>1,556,996</b>	<b>1,399,101</b>	<b>1,334,871</b>	<b>887,125</b>
Allocation of management and general expenses	348,894	374,952	388,836	149,217	42,799	146,356	135,184	97,043
<b>Total expenses after internal allocation</b>	<b>\$ 4,719,186</b>	<b>\$ 4,567,600</b>	<b>\$ 4,274,295</b>	<b>\$ 2,121,368</b>	<b>\$ 1,599,795</b>	<b>\$ 1,545,457</b>	<b>\$ 1,470,055</b>	<b>\$ 984,168</b>

(Continued)

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses (Continued)  
Year Ended June 30, 2016

	Program Services							
	Greenleaf Treatment Foster Care - MD	Futurebound Independent Living	JC Nalle	Rapid Rehousing for Young Adults	Cara House	Greentree School	Rapid Rehousing	Betty's House
Salaries	\$ 193,408	\$ 262,781	\$ 203,124	\$ 73,294	\$ 180,306	\$ 138,815	\$ 44,178	\$ 48,894
Payroll taxes and expenses	13,142	17,892	20,937	5,069	8,030	10,013	2,846	2,492
Staff allowance and benefits	15,847	24,004	10,592	4,752	7,966	10,958	4,239	408
Staff development	813	1,506	13,170	-	1,327	485	307	1,142
Contracted services	4,364	1,400	118,485	20	42,696	-	-	9,643
Food and food preparation	1,882	34,183	9,885	569	9,105	436	1,000	1,931
Recreation	-	5	5,102	-	37,704	-	-	-
Personal needs and allowances	9,979	29,103	31,035	12,836	19,960	-	23,107	3,765
Utilities	8,853	11,012	-	-	-	-	2,312	14,451
Treatment foster care expenses	280,180	-	772	-	100	-	-	-
Building and grounds	3,541	601	-	1,776	6,171	-	1,494	2,408
Depreciation	49,282	24,686	27,543	-	20,668	5,892	22,766	22,766
Insurance	6,879	13,976	12,768	3,252	6,843	5,052	5,362	4,335
Rent	-	184,798	-	225,948	-	-	116,342	31,650
Supplies	788	3,213	3,141	5,243	15,331	408	177	4,843
Equipment rental and repair	3,487	5,001	4,308	63	2,496	-	-	85
Printing and copying	86	154	23	14	-	-	-	19
Telephone	4,551	13,200	6,400	2,754	17,987	2,311	1,215	7,933
Postage	330	1	-	-	20	-	-	-
Membership and subscriptions	1,537	1,585	-	-	8	-	-	-
Travel and transportation	13,119	7,853	39,986	2,301	9,312	704	2,453	2,433
Other expenses	119	2,474	4,999	672	9,141	139,113	-	216
Special events	-	-	-	-	-	-	-	-
In-kind contributions: donated goods	163,097	108,731	54,366	82,969	18,122	36,244	22,386	18,122
<b>Total expenses</b>	<b>775,284</b>	<b>748,159</b>	<b>566,636</b>	<b>421,532</b>	<b>413,293</b>	<b>350,431</b>	<b>250,184</b>	<b>177,536</b>
Allocation of management and general expenses	204,217	67,225	68,035	56,144	21,214	21,052	23,152	20,996
<b>Total expenses after internal allocation</b>	<b>\$ 979,501</b>	<b>\$ 815,384</b>	<b>\$ 634,671</b>	<b>\$ 477,676</b>	<b>\$ 434,507</b>	<b>\$ 371,483</b>	<b>\$ 273,336</b>	<b>\$ 198,532</b>

(Continued)

The National Center for Children and Families, Inc.

Schedule of Consolidated Functional Expenses (Continued)  
Year Ended June 30, 2016

	Program Services						Support Services			Total
	Futurebound Transitional Houris Program	The NCCF CDF Freedom School	Camp Mariposa	Avondale Affordable Housing	Heart & Soul	Arise House	Total Program Expenses	Management and General	Fundraising	
Salaries	\$ 57,008	\$ 25,239	\$ 32,002	\$ 3,954	\$ 7,454	\$ -	\$ 8,573,991	\$ 1,226,333	\$ 341,138	\$ 10,141,462
Payroll taxes and expenses	5,131	530	2,408	308	564	-	709,395	114,810	28,511	852,716
Staff allowance and benefits	163	-	-	-	-	-	619,752	288,106	13,897	921,755
Staff development	562	875	-	-	-	174	231,119	31,819	7,117	270,055
Contracted services	-	106,282	9,304	6,997	7,764	-	3,012,431	135,022	3,275	3,150,728
Food and food preparation	-	1,050	1,595	-	3,348	-	282,632	4,740	3,583	290,955
Recreation	-	4,175	1,777	-	-	-	75,932	250	250	76,432
Personal needs and allowances	3,348	998	17,229	-	-	(800)	897,924	6,999	-	904,923
Utilities	6,558	-	-	2,884	-	-	245,251	35,437	14,530	295,218
Treatment foster care expenses	-	-	-	-	-	-	2,253,466	-	-	2,253,466
Building and grounds	-	-	-	3,065	-	-	236,763	21,379	11,721	269,863
Depreciation	-	-	-	32,493	-	-	441,765	21,293	17,142	480,200
Insurance	2,852	-	-	15,945	-	1,564	345,669	61,897	5,705	413,271
Rent	75,782	-	-	-	-	-	1,616,397	-	-	1,616,397
Supplies	436	15,877	2,561	214	167	664	244,552	18,521	6,243	269,316
Equipment rental and repair	-	-	-	-	-	-	101,412	10,305	3,615	115,332
Printing and copying	-	-	127	-	-	-	2,165	881	37,640	40,686
Telephone	2,594	1,682	-	587	-	2,586	186,741	16,922	3,000	206,663
Postage	-	-	-	-	-	-	6,010	2,262	4,508	12,780
Membership and subscriptions	-	100	-	367	175	-	12,412	23,566	-	35,978
Travel and transportation	1,291	2,110	299	-	-	-	307,781	29,845	587	338,213
Other expenses	1,130	275	1,780	118	-	-	466,517	238,285	35,000	739,802
Special events	-	-	-	-	-	-	136,864	-	44,163	181,027
In-kind contributions: donated goods	16,212	-	-	-	-	11,537	2,798,228	-	-	2,798,228
<b>Total expenses</b>	<b>173,067</b>	<b>159,193</b>	<b>69,082</b>	<b>66,932</b>	<b>19,472</b>	<b>15,725</b>	<b>23,805,169</b>	<b>2,288,672</b>	<b>581,625</b>	<b>26,675,466</b>
Allocation of management and general expenses	22,986	22,536	22,550	44,453	-	10,831	2,288,672	(2,288,672)	-	-
<b>Total expenses after internal allocation</b>	<b>\$ 196,053</b>	<b>\$ 181,729</b>	<b>\$ 91,632</b>	<b>\$ 111,385</b>	<b>\$ 19,472</b>	<b>\$ 26,556</b>	<b>\$ 26,093,841</b>	<b>\$ -</b>	<b>\$ 581,625</b>	<b>\$ 26,675,466</b>

The National Center for Children and Families, Inc.

Computation of Child Care Costs per Day – State of Maryland (Unaudited)  
Year Ended June 30, 2017

Service function:	Actual Number of Child Care Days			Total Cost Per Function	Average Child Cost per Day	Average Monthly Contract Payment Rate
	DJS	DHR	Total			
Greentree Adolescent Program (GAP)	-	5,973	5,973	\$ 2,355,388	\$ 394	\$ 9,951
Greenleaf Treatment Foster Care (TFC)	183	5,790	5,973	\$ 1,088,607	\$ 182	\$ 4,849
Futurebound Independent Living Program (FLIP)	245	3,951	4,196	\$ 813,940	\$ 194	\$ 4,259

The National Center for Children and Families, Inc.

Comparison of Budget to Actual Total Allowable Expenses – Greentree Adolescent Program  
Year Ended June 30, 2017

	Actual	Unaudited Budget	Variance (Over)/ Under
Salaries	\$ 1,232,612	\$ 1,385,213	\$ 152,601
Payroll taxes and expenses	97,710	105,969	8,259
Staff allowance and benefits	77,952	160,060	82,108
Staff development	10,596	5,000	(5,596)
Contracted services	60,406	49,515	(10,891)
Food and food preparation	93,458	73,000	(20,458)
Recreation	27,966	8,500	(19,466)
Personal needs and allowances	42,706	27,100	(15,606)
Utilities	34,157	45,000	10,843
Buildings and grounds	18,447	15,000	(3,447)
Depreciation	87,117	64,013	(23,104)
Insurance	47,454	38,000	(9,454)
Supplies	14,754	5,000	(9,754)
Equipment rental and repair	9,551	21,200	11,649
Printing and copying	2,605	350	(2,255)
Telephone	12,979	13,500	521
Postage	1,592	600	(992)
Membership and subscriptions	1,468	-	(1,468)
Travel and transportation	36,995	40,000	3,005
Other expenses	2,587	-	(2,587)
<b>Total expenses before unallowed income and expense, management and general expenses, and in-kind goods</b>	<b>1,913,112</b>	<b>2,057,020</b>	<b>143,908</b>
Management and general expenses	262,599	205,702	(56,897)
<b>Total program allowable expenses</b>	<b>2,175,711</b>	<b>2,262,722</b>	<b>87,011</b>
In-kind goods	179,627	180,000	373
<b>Total program expenses plus in-kind goods</b>	<b>\$ 2,355,338</b>	<b>\$ 2,442,722</b>	<b>\$ 87,384</b>

The National Center for Children and Families, Inc.

Comparison of Budget to Actual Total Allowable Expenses – Greenleaf Treatment Foster Care – MD  
Year Ended June 30, 2017

	Actual	Unaudited Budget	Variance (Over)/ Under
Salaries	\$ 231,964	\$ 361,592	\$ 129,628
Payroll taxes and expenses	17,599	27,661	10,062
Staff allowance and benefits	14,451	44,657	30,206
Staff development	1,364	2,126	762
Contracted services	1,794	62,152	60,358
Food and food preparation	277	-	(277)
Personal needs and allowances	8,213	-	(8,213)
Utilities	9,005	8,000	(1,005)
Treatment foster care expense	318,619	276,000	(42,619)
Building and grounds	1,243	4,000	2,757
Depreciation	39,378	44,503	5,125
Insurance	10,962	16,497	5,535
Supplies	646	2,000	1,354
Equipment rental and repair	1,454	5,000	3,546
Printing and copying	1,058	65	(993)
Telephone	4,058	5,500	1,442
Postage	382	200	(182)
Membership and subscriptions	585	1,960	1,375
Travel and transportation	12,501	10,000	(2,501)
Other expenses	762	40	(722)
<b>Total expenses before unallowed income and expense, management and general expenses, and in-kind goods</b>	<b>676,315</b>	<b>871,953</b>	<b>195,638</b>
Management and general expenses	277,571	87,195	(190,376)
<b>Total program allowable expenses</b>	<b>953,886</b>	<b>959,148</b>	<b>5,262</b>
In-kind goods	134,721	147,000	12,279
<b>Total program expenses plus in-kind goods</b>	<b>\$ 1,088,607</b>	<b>\$ 1,106,148</b>	<b>\$ 17,541</b>

The National Center for Children and Families, Inc.

Comparison of Budget to Actual Total Allowable Expenses – Futurebound Independent Living  
Year Ended June 30, 2017

	Actual	Unaudited Budget	Variance (Over)/ Under
Salaries	\$ 295,152	\$ 260,682	\$ (34,470)
Payroll taxes and expenses	20,742	19,943	(799)
Staff allowance and benefits	41,037	26,068	(14,969)
Staff development	1,350	405	(945)
Contracted services	760	15,487	14,727
Food and food preparation	34,472	32,000	(2,472)
Recreation	1,563	600	(963)
Personal needs and allowances	22,967	17,056	(5,911)
Utilities	9,668	5,300	(4,368)
Building and grounds	2,010	760	(1,250)
Depreciation	21,169	22,292	1,123
Insurance	12,195	20,000	7,805
Rent	182,518	199,591	17,073
Supplies	3,997	4,200	203
Equipment rental and repair	1,493	8,000	6,507
Printing and copying	1,665	300	(1,365)
Telephone	9,307	19,000	9,693
Postage	44	28	(16)
Membership and subscriptions	525	1,800	1,275
Travel and transportation	11,576	12,000	424
Other expenses	542	4,976	4,434
<b>Total expenses before unallowed income and expense, management and general expenses, and in-kind goods</b>	674,752	670,488	(4,264)
Management and general expenses	79,312	67,049	(12,263)
<b>Total program allowable expenses</b>	754,064	737,537	(16,527)
In-kind goods	59,876	98,000	38,124
<b>Total program expenses plus in-kind goods</b>	<u>\$ 813,940</u>	<u>\$ 835,537</u>	<u>\$ 21,597</u>

**The National Center for Children and Families, Inc.**

**Department of Human Resources Income Schedule  
Year Ended June 30, 2017**

	Greentree Adolescent Program	Greenleaf Treatment Foster Care - MD	Futurebound Independent Living	Total
<b>Revenues:</b>				
Department of Human Resources	\$ 1,954,067	\$ 922,984	\$ 553,180	\$ 3,430,231
Total revenues	<u>1,954,067</u>	<u>922,984</u>	<u>553,180</u>	<u>3,430,231</u>
<b>Expenses:</b>				
Salaries	1,232,612	225,005	277,443	1,735,060
Payroll taxes and expenses	97,710	17,071	19,498	134,279
Staff allowance and benefits	77,952	14,017	38,575	130,544
Staff development	10,596	1,323	1,269	13,188
Contracted services	60,406	1,740	714	62,860
Food and food preparation	93,458	269	32,404	126,131
Recreation	27,966	-	1,469	29,435
Personal needs and allowances	42,706	7,967	21,589	72,262
Utilities	34,157	8,735	9,088	51,980
Treatment foster care expenses	-	309,060	-	309,060
Building and grounds	18,447	1,206	1,889	21,542
Depreciation	87,117	38,197	19,899	145,213
Insurance	47,454	10,633	11,463	69,550
Rent	-	-	171,567	171,567
Supplies	14,754	627	3,757	19,138
Equipment rental and repair	9,551	1,410	1,404	12,365
Printing and copying	2,605	1,026	1,565	5,196
Telephone	12,979	3,936	8,749	25,664
Postage	1,592	371	41	2,004
Membership and subscriptions	1,468	567	494	2,529
Travel and transportation	36,995	12,126	10,881	60,002
Other expenses	2,587	739	509	3,835
<b>Total expenses before unallowed income and expense, management and general expenses, and in-kind goods</b>	<u>1,913,112</u>	<u>656,025</u>	<u>634,267</u>	<u>3,203,404</u>
Management and general expenses	262,599	269,244	74,553	606,396
<b>Total program allowable expenses</b>	<u>2,175,711</u>	<u>925,269</u>	<u>708,820</u>	<u>3,809,800</u>
In-kind goods	179,627	130,679	56,283	366,589
<b>Total program expenses plus in-kind goods</b>	<u>2,355,338</u>	<u>1,055,948</u>	<u>765,103</u>	<u>4,176,389</u>
<b>Deficiency of revenue over allowable expenses</b>	<u>\$ (401,271)</u>	<u>\$ (132,964)</u>	<u>\$ (211,923)</u>	<u>\$ (746,158)</u>

**The National Center for Children and Families, Inc.**

**Department of Juvenile Services Income Schedule  
Year Ended June 30, 2017**

	Greenleaf Treatment Foster Care - MD	Futurebound Independent Living	Total
<b>Revenues:</b>			
Department of Juvenile Services	\$ 29,187	\$ 34,235	\$ 63,422
Total revenues	<u>29,187</u>	<u>34,235</u>	<u>63,422</u>
<b>Expenses:</b>			
Salaries	6,959	17,709	24,668
Payroll taxes and expenses	528	1,244	1,772
Staff allowance and benefits	434	2,462	2,896
Staff development	41	81	122
Contracted services	54	46	100
Food and food preparation	8	2,068	2,076
Recreation	-	94	94
Personal needs and allowances	246	1,378	1,624
Utilities	270	580	850
Treatment foster care expenses	9,559	-	9,559
Building and grounds	37	121	158
Depreciation	1,181	1,270	2,451
Insurance	329	732	1,061
Rent	-	10,951	10,951
Supplies	19	240	259
Equipment rental and repair	44	89	133
Printing and copying	32	100	132
Telephone	122	558	680
Postage	11	3	14
Membership and subscriptions	18	31	49
Travel and transportation	375	695	1,070
Other expenses	23	33	56
<b>Total expenses before unallowed income and expense, management and general expenses, and in-kind goods</b>	<u>20,290</u>	<u>40,485</u>	<u>60,775</u>
Management and general expenses	8,327	4,759	13,086
<b>Total program allowable expenses</b>	<u>28,617</u>	<u>45,244</u>	<u>73,861</u>
In-kind goods	4,042	3,593	7,635
<b>Total program expenses plus in-kind goods</b>	<u>32,659</u>	<u>48,837</u>	<u>81,496</u>
<b>Deficiency of revenue over allowable expenses</b>	<u>\$ (3,472)</u>	<u>\$ (14,602)</u>	<u>\$ (18,074)</u>