CHILDREN'S FOUNDATION OF MID-AMERICA, INC.

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

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

CHILDREN’S FOUNDATION OF MID-AMERICA, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Foundation of Mid-America, Inc.

We have audited the accompanying financial statements of Children's Foundation of Mid-America, Inc. (CFMA and/or the Organization) (a Missouri not-for-profit corporation), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The summarized comparative information has been derived from CFMA's financial statements for the year ended December 31, 2011 and, in our report dated April 18, 2012, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Children's Foundation of Mid-America, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

St. Louis, Missouri
April 17, 2013

CHILDREN'S FOUNDATION OF MID-AMERICA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2012 (With Comparative Totals for 2011)

	December 31, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 462,696**	$ 236,178
Receivables		
Bequests from estates and trusts	**20,165**	38,173
Government and local agencies	**617,794**	412,664
Related party	**232,593**	395,998
Prepaid expenses	**19,765**	19,159
Total current assets	**1,353,013**	1,102,172
INVESTMENTS, AT FAIR VALUE	**53,712**	397,164
INVESTMENT, AT COST	**7,000**	7,000
OTHER ASSETS	**71,169**	72,537
SCHOLARSHIP LOANS	**48,530**	58,565
PROPERTY AND EQUIPMENT	**5,663,045**	5,850,960
ASSETS HELD IN CHARITABLE REMAINDER TRUSTS	**709,873**	676,222
BENEFICIAL INTERESTS IN THIRD-PARTY TRUSTS		
Charitable remainder trusts	**145,998**	133,398
Perpetual trusts	**2,929,073**	3,037,320
Total assets	**$ 10,981,413**	$ 11,335,338
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable to bank	**$ 680,655**	$ 199,018
Current portion of long-term debt	**145,499**	68,673
Accounts payable	**246,951**	324,815
Accrued expenses	**739,513**	696,017
Liability under unitrust agreements	**170,640**	198,207
Current portion of annuities payable	**53,071**	55,993
Total current liabilities	**2,036,329**	1,542,723
LONG-TERM DEBT	**3,472,844**	3,618,726
LONG-TERM ANNUITIES PAYABLE	**285,197**	309,759
	5,794,370	5,471,208
NET ASSETS		
Unrestricted	**183,365**	973,671
Temporarily restricted	**1,099,825**	986,606
Permanently restricted	**3,903,853**	3,903,853
Total net assets	**5,187,043**	5,864,130
Total liabilities and net assets	**$ 10,981,413**	$ 11,335,338

See notes to financial statements.

CHILDREN'S FOUNDATION OF MID-AMERICA, INC.

STATEMENT OF ACTIVITIES

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

	Years Ended December 31,				
	2012				2011
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	(Comparative Totals Only)
PUBLIC SUPPORT AND REVENUES					
Contributions					
Public	$ 535,052	$ 200,000	$ -	$ 735,052	$ 448,863
Estates and trusts	7,415	-	-	7,415	357,412
Related organizations	100,764	-	-	100,764	136,123
	643,231	200,000	-	843,231	942,398
Fees and grants from government and local agencies	4,764,942	-	-	4,764,942	4,473,400
Program service fees	4,168,343	-	-	4,168,343	3,914,320
Interest and dividends	36,822	3,320	-	40,142	57,307
Gains (losses) on investments	(3,344)	(14,036)	-	(17,380)	28,343
Gain (loss) from charitable remainder trusts	-	73,818	-	73,818	(10,792)
Loss from perpetual trusts	-	(108,247)	-	(108,247)	(54,065)
Losses on annuities	(27,563)	-	-	(27,563)	(44,299)
Other revenues	252,744	-	-	252,744	262,845
Net assets released from restrictions used for operations	41,636	(41,636)	-	-	-
Total public support and revenues	9,876,811	113,219	-	9,990,030	9,569,457
EXPENSES					
Program services					
Residential treatment	5,623,402	-	-	5,623,402	5,815,104
Professional services	4,044,510	-	-	4,044,510	3,708,377
Total program services	9,667,912	-	-	9,667,912	9,523,481
Supporting services					
Management and general	658,062	-	-	658,062	730,371
Development and public relations	341,143	-	-	341,143	381,445
Total expenses	10,667,117	-	-	10,667,117	10,635,297
CHANGES IN NET ASSETS	(790,306)	113,219	-	(677,087)	(1,065,840)
NET ASSETS, Beginning	973,671	986,606	3,903,853	5,864,130	6,929,970
NET ASSETS, Ending	$ 183,365	$ 1,099,825	$ 3,903,853	$ 5,187,043	$ 5,864,130

See notes to financial statements.

CHILDREN'S FOUNDATION OF MID-AMERICA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

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

	Years Ended December 31,							
	2012							2011
	Program Services				Supporting Services			
	Residential Treatment	Professional Services	Allocable Shared Services	Total	Management and General	Development and Public Relations	Total	(Comparative Totals Only)
SALARIES AND EMPLOYEE BENEFITS								
Salaries and wages	$ 3,062,485	$ 2,486,472	$ 553,574	$ 6,102,531	$ 375,356	$ 161,689	$ 6,639,576	$ 6,144,190
Employee benefits	284,564	222,166	32,223	538,953	52,940	23,276	615,169	666,075
Payroll taxes and insurance	428,241	251,420	42,425	722,086	26,126	13,490	761,702	751,437
	3,775,290	2,960,058	628,222	7,363,570	454,422	198,455	8,016,447	7,561,702
OTHER OPERATING EXPENSES								
Allocation of shared services	507,357	364,905	(872,262)	-	-	-	-	-
Bad debts (recoveries)	-	-	(16,277)	(16,277)	-	-	(16,277)	191,942
Development	10,410	1,375	25,041	36,826	67	22,699	59,592	53,415
Equipment	14,211	17,303	9,789	41,303	2,858	1,141	45,302	35,748
Food	219,570	525	268	220,363	114	61	220,538	246,726
Interest	49,670	90,241	9,442	149,353	48,008	5,332	202,693	202,560
Miscellaneous	21,170	9,356	5,179	35,705	16,856	8,317	60,878	64,805
Occupancy	394,694	167,442	16,524	578,660	41,354	8,221	628,235	671,983
Postage and delivery	2,524	3,317	2,823	8,664	4,760	18,942	32,366	30,388
Printing and reproduction	676	13,508	1,716	15,900	707	31,842	48,449	49,716
Professional fees	100,626	80,340	88,016	268,982	64,483	37,011	370,476	496,111
Resident care	52,630	42,006	914	95,550	-	859	96,409	82,037
Supplies and repairs	78,272	30,185	5,691	114,148	4,762	2,384	121,294	143,003
Telephone	61,772	37,527	9,817	109,116	2,416	545	112,077	107,194
Training, meetings, and dues	14,031	3,901	30,397	48,329	3,577	645	52,551	52,791
Travel and transportation	186,599	169,042	30,370	386,011	7,528	3,127	396,666	431,485
Total expenses before depreciation	5,489,502	3,991,031	(24,330)	9,456,203	651,912	339,581	10,447,696	10,421,606
DEPRECIATION	133,900	53,479	24,330	211,709	6,150	1,562	219,421	213,691
TOTAL - 2012	$ 5,623,402	$ 4,044,510	$ -	$ 9,667,912	$ 658,062	$ 341,143	$ 10,667,117	
PERCENTAGE - 2012	52.7 %	37.9 %		90.6 %	6.2 %	3.2 %	100.0 %	
TOTAL - 2011	$ 5,815,104	$ 3,708,377		$ 9,523,481	$ 730,371	$ 381,445		$ 10,635,297
PERCENTAGE - 2011	54.6 %	34.9 %		89.5 %	6.9 %	3.6 %		100.0 %

See notes to financial statements.

CHILDREN'S FOUNDATION OF MID-AMERICA, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2012 (With Comparative Totals for 2011)

	Years Ended December 31, 2012	Years Ended December 31, 2011
OPERATING ACTIVITIES		
Changes in net assets	**$ (677,087)**	$ (1,065,840)
Adjustments to reconcile changes in net assets to net cash used by operating activities		
Bad debts (recoveries)	**(16,277)**	191,942
Depreciation	**219,421**	213,691
Losses (gains) on investments	**17,380**	(28,343)
Loss (gain) from charitable remainder trusts	**(73,818)**	10,792
Loss from perpetual trusts	**108,247**	54,065
Losses on annuities	**27,563**	44,299
Temporarily restricted contributions for property	**(200,000)**	-
Permanently restricted contributions	**-**	(25,000)
Changes in		
Receivables		
Bequests from estates and trusts	**18,008**	61,827
Government and local agencies	**(188,853)**	(287,912)
Related party	**163,405**	148,168
Other	**-**	2,882
Prepaid expenses	**(606)**	(2,096)
Other assets	**1,368**	1,368
Scholarship loans	**10,035**	8,255
Assets held in charitable remainder trusts	**(33,651)**	21,136
Beneficial interests in third-party trusts	**61,218**	(3,525)
Accounts payable	**(77,864)**	69,372
Accrued expenses	**43,496**	115,602
Liability under unitrust agreements	**(27,567)**	(17,611)
Annuities payable	**(55,047)**	(58,007)
Net cash used by operating activities	**(680,629)**	(544,935)
INVESTING ACTIVITIES		
Purchase of property and equipment	**(31,506)**	(115,704)
Proceeds from sale of property and equipment	**-**	2,851
Proceeds from sale of investments	**326,072**	546,339
Purchase of investments	**-**	(24,610)
Net cash provided by investing activities	**294,566**	408,876
FINANCING ACTIVITIES		
Proceeds (borrowings) on note payable to bank	**481,637**	(251)
Temporarily restricted contributions for property	**200,000**	-
Permanently restricted contributions	**-**	25,000
Repayment of long-term debt	**(69,056)**	(169,136)
Net cash provided (used) by financing activities	**612,581**	(144,387)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**226,518**	(280,446)
CASH AND CASH EQUIVALENTS, Beginning	**236,178**	516,624
CASH AND CASH EQUIVALENTS, Ending	**$ 462,696**	$ 236,178

See notes to financial statements.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America.

History and Business Activity

Children's Foundation of Mid-America, Inc. provides residential treatment for adolescents and professional services (community based/case management programs) for children of all ages from troubled family backgrounds and other related family services.

Historically, Children's Foundation of Mid-America, Inc. supported the programs of Presbyterian Children's Services, Inc. (PCS) and was controlled by the Board of Directors of PCS. Children's Foundation of Mid-America, Inc. provided funding for all PCS programs and managed all of the investments, endowments and property of the programs operated by PCS. Children's Foundation of Mid-America, Inc. merged into Presbyterian Children's Services, Inc. in 2009. At the time of the merger, Presbyterian Children's Services, Inc. (the surviving entity) changed names to Children's Foundation of Mid-America, Inc. (CFMA). The newly merged Organization (CFMA) retains the right to use Presbyterian Children's Services, Inc. as a fictitious name, registered with the Missouri Secretary of State.

At that time, the Organization also created two new limited liability companies, Presbyterian Children's Services, LLC and Eagle Summit, LLC to further reserve the right to use those names for its own programs. These LLCs are presently inactive and have no assets, liabilities or net assets as of December 31, 2012 and 2011.

The Organization's program services are provided at the following locations:

Residential Treatment	Professional Services (Community Based/Case Management)
Farmington	Columbia
Moberly	Moberly
Springfield	Springfield
Maplewood	Joplin
Whiteside	St. Louis
Columbia	
Holt Summit	

Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2011, from which the summarized information was derived. Certain reclassifications have been made to the information for the year ended December 31, 2011 to conform to the year ended December 31, 2012 presentation.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Financial Statement Presentation

CFMA resources are classified for accounting and reporting purposes into three asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories is as follows:

> **Unrestricted Net Assets** - Represent those whose use is not restricted by donors. All contributions are considered to be available for unrestricted use and available for operations unless specifically restricted by the donor.
>
> **Temporarily Restricted Net Assets** - Represent those net assets whose use has been limited by donor-imposed stipulations that either specify expenditures, expire by passage of time, or can be fulfilled and removed by actions of CFMA's Board pursuant to those stipulations. Net assets in this classification are primarily related to time and program restrictions.
>
> **Permanently Restricted Net Assets** - Represent those net assets that must be maintained in perpetuity, the income from which can be spent at CFMA's discretion for operations except for the Park and beneficial interest in third-party trusts. The income from these funds is subject to restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less when purchased to be cash equivalents and money market funds held by brokerage firms. Cash equivalents are stated at cost, which approximates market value.

CFMA from time to time during the year may have bank balances in excess of its insured limits. Management has deemed this as normal business risk.

CFMA has money market mutual funds, which are not federally insured, but are subject to Securities Investor Protection Coverage (SIPC) as of December 31, 2012.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Receivables are deemed to be past due once they are more than 60 days old. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

Changes in the allowance for doubtful accounts are as follows:

	As of and for the Years Ended December 31,	
	2012	2011
Balance - Beginning	$ 223,000	$ 290,000
Provision for Doubtful Accounts	(16,277)	38,698
Accounts Written Off	(173,723)	(105,698)
Balance - Ending	$ 33,000	$ 223,000

Investments

Investments in corporate stocks, bonds, mutual funds and U.S. Government obligations are stated at fair value based on quoted market prices. The Organization also has an investment in a related party that is recorded at cost. Gains and losses are computed using the specific identification method.

Scholarship Loans

CFMA provides loans to eligible employees, former employees, employee family members, residents and former resident students based on restricted net assets. Loans to residents and former residents are non-interest bearing while loans to employees and their families are simple interest loans bearing interest at 5%. The scholarship loans are funded through donor restricted funds.

Student loans are stated at cost when awarded. The student is obligated to start repaying the loans upon graduation. Generally, repayment of loans is scheduled over five years. No interest is charged or accrued on loans while a student is actively enrolled in school.

No allowance for loan losses is deemed necessary as of December 31, 2012 or 2011.

Property and Equipment

Purchases of property and equipment with values of $2,000 or more are capitalized, while all other purchases are recorded as expense in the year purchased. Property and equipment is recorded at cost, if purchased or at estimated fair market value on the date of receipt, if donated.

Depreciation of property and equipment is provided on the straight-line method over the following estimated useful lives:

	Years
Buildings and Building Improvements	40
Furniture, Fixtures and Equipment	5 - 10
Vehicles	3

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional promises-to-give cash and other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are temporarily restricted as to use by the donor are reported as unrestricted when the restriction is fulfilled in the same time period in which the contribution is received.

Contributions that have been pledged but not received as of the end of an accounting period are reported at the net present value of the future cash flows of such pledges. Contributions that are conditional upon some event are not reported until such time as the condition has been met. Certain grants may qualify as contributions and, accordingly, they are recognized as support when made.

Fees and Grants from Governmental and Local Agencies

Fees and grants from governmental and local agencies are generally recognized as revenue in the period that specific services are performed.

Program Service Fees

Program service fees are recognized when the services are provided and are reported at the net realizable amounts from private payers, third-party payers, and others.

Legacies and Bequests, and Interests in Third-Party Trusts

CFMA records contributions from donors for legacies and bequests as it is notified and the amounts are determinable. Additionally, the Organization records contributions from donors for charitable gift annuities.

CFMA is beneficiary of trusts in which the donors have established perpetual trusts administered by third-party trustees. CFMA has the irrevocable right to receive the income earned on the trust assets in perpetuity. The amount recorded in the statement of financial position represents the estimated fair value of the contributions based on its percentage interest of the fair value of the trust assets.

CFMA is a beneficiary of charitable remainder trusts. CFMA has the irrevocable right to receive the distributions for a specified period of time and/or principal of the trust at the death of the donors or beneficiaries. The amount recorded in the statement of financial position represents the estimated fair value of the contribution measured as the present value of the principal based upon the actuarial lives of the donors.

Donated Materials

CFMA records the value of donated materials as contributions when there is an objective basis available to measure their fair value.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are charged to operations when incurred and were $10,506 and $6,021 for the years ended December 31, 2012 and 2011, respectively.

Fair Value Measurements

Fair value is defined 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. CFMA determines the fair values of its financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using 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 of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

Declines in the fair value of individual investments below their cost that are other than temporary result in write-downs of the individual securities to their fair value. The related write-downs are included in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the St. Louis Region to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Income Taxes

Children's Foundation of Mid-America, Inc. is a not-for-profit agency as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. CFMA's two LLCs will be included in CFMA's annual informational return once they become active.

CFMA's federal exempt organization business income tax returns are subject to examination by the IRS for the statutory period.

Functional Expenses

CFMA allocates expenses on a functional basis among its various program and supporting services. Expenses that can be directly associated with a specific program are allocated directly according to their functional expense classification. Other expenses that are common to several functions are allocated by various statistical bases.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

CFMA has performed a review of events subsequent to the statement of financial position date through April 17, 2013, the date the financial statements were available to be issued.

NOTE 2 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31, 2012	December 31, 2011
Checking	$ 289,470	$ 101,719
Money Market Mutual Funds	173,226	134,459
	$ 462,696	$ 236,178

NOTE 3 — INVESTMENTS

Investments consist of the following:

	December 31, 2012	December 31, 2011
Investments, at Fair Value		
Corporate stocks	$ 19,634	$ 226,810
Bond funds	21,005	-
Equity funds	8,815	144,208
U.S. Government obligations	4,258	26,146
	$ 53,712	$ 397,164
Investments, at Cost		
Investment in Missouri Alliance for Children and Families, L.L.C.	$ 7,000	$ 7,000

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31, 2012	December 31, 2011
Land	$ 1,345,635	$ 1,345,635
Buildings and Building Improvements	6,671,021	6,647,017
Furniture, Fixtures and Equipment	906,788	899,288
Vehicles	303,606	303,606
	9,227,050	9,195,546
Less Accumulated Depreciation	(3,564,005)	(3,344,586)
	$ 5,663,045	$ 5,850,960

NOTE 4 — PROPERTY AND EQUIPMENT (Continued)

CFMA leases a vehicle under a capital lease. The asset and liability under the capital lease is recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The asset is depreciated over the lesser of the related lease term or the estimated useful life. Depreciation of the asset under the capital lease is included in depreciation expense for the year ended December 31, 2012. Vehicle held under the capital lease is $14,575 at December 31, 2012 and 2011. Accumulated depreciation on the asset was $14,575 and $8,907 at December 31, 2012 and 2011, respectively.

NOTE 5 — ASSETS HELD IN CHARITABLE REMAINDER TRUSTS

Donors have established charitable remainder trusts, naming the Organization as the trustee. Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts' terms. At the end of the trusts' terms, the remaining assets are to be available for the Organization's use, subject to donor-imposed restrictions. Assets held in charitable remainder trusts at December 31, 2012 and 2011 totaled $709,873 and $676,222, respectively, and are reported at fair value in the Organization's statement of financial position. These trust assets, which are invested and administered by bank trustees, are invested primarily in equity securities (26%), fixed income securities (22%), and cash equivalents (52%).

Income from charitable remainder trusts including gains is reflected in the Organization's statement of activities. On an annual basis, the Organization reviews the need to re-evaluate the liability to make distributions to the designated beneficiaries based on actuarial assumptions. There were no changes in actuarial assumptions resulting in revaluations during the years ended December 31, 2012 and 2011. The present value of the estimated future payments ($170,640 and $198,207 at December 31, 2012 and 2011, respectively) is calculated using a discount rate of 1.6% (1.6% in 2011) and applicable mortality tables.

NOTE 6 — BENEFICIAL INTERESTS IN THIRD-PARTY TRUSTS

Charitable Remainder Trusts

Donors have established trusts with local banks naming the Organization as the beneficiary of charitable remainder trusts. At the time of the donors' deaths, the trusts are to terminate and remaining trust assets are to be distributed to the Organization and other entities, based upon formulas set forth in the trusts. Based upon donor life expectancy, the present value of future benefits expected to be received by the Organization is estimated to be $145,998 and $133,398 at December 31, 2012 and 2011, respectively. These trust assets, which are invested and administered by bank trustees, are invested primarily in equity securities (49%), fixed income securities (44%), and cash equivalents (7%).

Changes in the fair value of charitable reminder trusts are reflected as changes in temporarily restricted net assets in the Organization's statement of activities.

NOTE 6 — BENEFICIAL INTERESTS IN THIRD-PARTY TRUSTS (Continued)

Perpetual Trusts

The Organization is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Organization. The Organization has legally enforceable rights and claims to such assets, including the sole right to income. These trust assets, which are invested and administered by bank trustees, are invested primarily in equity securities (46%), fixed income securities (53%), and cash equivalents (1%).

The change in fair value related to the beneficial interests is reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value at December 31, 2012 and 2011 of those beneficial interests was $2,929,073 and $3,037,320, respectively.

NOTE 7 — NOTES PAYABLE TO BANK

Notes payable to bank consists of the following:

	December 31, 2012	December 31, 2011
$200,000 line of credit with a bank; interest payable monthly at prime rate plus 0.50%, subject to 4.75% floor; principal and interest due April 9, 2014, secured by property	$ 198,916	$ 199,018
$250,000 line of credit with a bank; interest payable monthly at prime rate plus 0.50%, subject to 4.00% floor; principal and interest due September 22, 2014, secured by property	129,674	-
$500,000 line of credit with an affiliated organization; interest payable monthly at prime rate plus 0.50% ; principal and interest due December 31, 2014, secured by property (Note 24)	352,065	-
	$ 680,655	$ 199,018

The prime rate at December 31, 2012 and 2011 was 3.25%.

NOTE 8 — LONG-TERM DEBT

Long-term debt consists of the following:

	December 31, 2012	December 31, 2011
$1,162,982 term loan with bank; payable in monthly installments of $7,598 including interest payable at 4.85%; final payment due November 21, 2027 - collateralized by real property	$ 966,691	$ 1,009,840
$750,000 term loan with bank; payable in monthly installments of $4,544 including interest at lender's 1 Yr CD rate plus 3.5%; final payment due October 9, 2029 - collateralized by real property	651,652	677,559
$2,100,000 term loan with individual; interest payable upon maturity at 4.6%; final payment due January 15, 2013 - collateralized by real property [1]	2,000,000	2,000,000
	3,618,343	3,687,399
Less current portion of long-term debt	145,499	68,673
	$ 3,472,844	$ 3,618,726

[1] Subsequent to year end, the Organization financed a new 4.5% term loan with bank, due in January 2018 payable in monthly payments of $12,618 (these funds were used to pay off the term loan with individual).

Future maturities of long-term debt are as follows:

Year Ending December 31,	
2013	$ 145,499
2014	141,715
2015	148,472
2016	155,553
2017	163,970
Thereafter	2,863,134
	$ 3,618,343

NOTE 9 — ANNUITIES PAYABLE

CFMA receives donations from benefactors in exchange for annuities that provide income to a named beneficiary (or beneficiaries) until their death. The difference between the amount of the donation and the present value of expected future payments to the beneficiary is recognized as revenue in the year of the donation. The total expected annual payments are $53,071 and $55,993 at December 31, 2012 and 2011, respectively. In calculating the present value of the annuities, CFMA used a discount rate based on the IRS applicable federal rate for the month the contributions were received, which were applied to the current expected payoff based on the annuitant's remaining expected life.

NOTE 9 — ANNUITIES PAYABLE (Continued)

Future maturities of annuities payable are as follows:

Year Ending December 31,		
2013 - current portion		$ 53,071
2014	$ 49,818	
2015	46,727	
2016	43,115	
2017	26,918	
Thereafter	118,619	285,197
		$ 338,268

NOTE 10 — TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	December 31, 2012	December 31, 2011
Program and Purpose Restrictions		
Facilities maintenance and repairs	$ -	$ 53,115
Scholarships	140,436	139,674
Capital Campaign - new facilities	201,100	1,100
	341,536	193,889
Time Restrictions	758,289	792,717
	$ 1,099,825	$ 986,606

Temporarily restricted net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	Years Ended December 31, 2012	Years Ended December 31, 2011
Program and Purpose Restrictions	$ 38,681	$ 305,178
Time Restrictions	2,955	9,356
	$ 41,636	$ 314,534

NOTE 11 — PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	December 31,	
	2012	2011
Endowment Funds - Managed by CFMA	$ 1,045,632	$ 1,045,632
Beneficial Interests in Third-Party Trusts - Managed by Trust Companies	2,858,221	2,858,221
	$ 3,903,853	$ 3,903,853

There were no net assets released from donor restrictions by satisfying the restricted purpose for the years ended December 31, 2012 and 2011, respectively.

NOTE 12 — ENDOWMENT

Endowment

The Organization's endowment consists of various funds established for a variety of purposes. Its endowment includes donor restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions.

Uniform Prudent Management of Institutional Funds Act
The Uniform Law Commission (ULC) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline for states to use in enacting legislation related to the UPMIFA. In response to the ULC's act the Financial Accounting Standards Board (FASB) issued Endowments of Not-for-Profit Organizations, which requires substantial additional disclosures relating to endowments. The State of Missouri passed legislation enacting a state version of the UPMIFA.

Interpretation of Relevant Law
The Board of Directors of the Organization has interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified by temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

NOTE 12 — ENDOWMENT (Continued)

Endowment (Continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds.

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Return Objectives and Risk Parameters
CFMA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for a donor specified period as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the appropriate index while assuring a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, CFMA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CFMA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Organization has a policy of distributing capital gains to the extent the then-current market value of the fund principal exceeds the historical dollar value of the gift less any distributions of principal allowed under the terms of the gift, unless otherwise specified by the donor. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, CFMA expects the current spending policy to allow its endowment to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new contributions and investment return.

NOTE 12 — ENDOWMENT (Continued)

Endowment (Continued)

Endowment net asset composition by type of fund consists of the following:

	December 31, 2012				2011
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Totals
Donor Restricted					
Endowment Funds	$ 43,943	$ 2,971	$ 1,045,632	$ 1,092,546	$ 1,113,582
Beneficial Interests in Third-Party Trusts	-	-	2,858,221	2,858,221	2,858,221
Total - 2012	$ 43,943	$ 2,971	$ 3,903,853	$ 3,950,767	
Total - 2011	$ 62,522	$ 5,428	$ 3,903,853		$ 3,971,803

Donor restricted endowment funds are managed by CFMA. Donor restricted beneficial interest in third-party trusts are managed by trust companies.

Changes in endowment net assets are as follows:

	Year Ended December 31, 2012				2011
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Totals
Endowment Net Assets					
Beginning Balance	$ 62,522	$ 5,428	$ 3,903,853	$ 3,971,803	$ 3,932,749
Interest and Dividends	1,915	2,941	-	4,856	12,445
Investment Gains	13,222	776	-	13,998	10,980
Loss on Perpetual Trusts	-	(108,247)	-	(108,247)	(54,065)
Contributions	-	-	-	-	25,000
Appropriated for Expenditure	(33,716)	102,073	-	68,357	44,694
Ending Balance	$ 43,943	$ 2,971	$ 3,903,853	$ 3,950,767	$ 3,971,803

NOTE 13 — OPERATING LEASES

The Organization leases office space and equipment under operating leases which expire through 2017. The rent payments may be adjusted each calendar year for a pro rata share of the increase in taxes and operating expenses over the base year expenses.

NOTE 13 — OPERATING LEASES (Continued)

Minimum payments on these operating leases are as follows:

Year Ending December 31,	
2013	$ 106,685
2014	63,680
2015	31,859
2016	5,359
2017	3,375
	$ 210,958

Rent expense was $119,653 and $234,316 for the years ended December 31, 2012 and 2011, respectively, and is included in occupancy expense.

NOTE 14 — DEFERRED COMPENSATION 403(b) PLAN

The Organization offers a 403(b) deferred compensation plan for all employees upon their first day of employment. After one year of service, with at least 1,000 hours of service, the Organization matches the employee deferred amount, up to 5% of compensation. The Organization contributed a total of $59,720 and $56,615 to the plan for the years ended December 31, 2012 and 2011, respectively. Subsequent to year end, the Organization terminated the 403(b) deferred compensation plan effective January 1, 2013 (Note 24).

NOTE 15 — FEES AND GRANTS FROM GOVERNMENT AND LOCAL AGENCIES

Fees and grant revenues from government and local agencies consist of the following:

	Years Ended December 31,	
	2012	2011
Unrestricted		
Residential fees		
State of Missouri	$ 2,902,229	$ 2,718,183
Missouri Alliance for Children and Families, L.L.C.	1,626,137	1,573,615
	4,528,366	4,291,798
U.S. Department of Agriculture	66,586	71,860
Farmington School District R-7	107,911	61,003
Miscellaneous - amounts < $50,000	62,079	40,607
	4,764,942	4,465,268
Temporarily Restricted - Various	-	8,132
	$ 4,764,942	$ 4,473,400

NOTE 16 — PROGRAM SERVICE FEES

Program service fees consist of the following:

	Years Ended December 31,	
	2012	2011
Unrestricted		
Missouri Alliance for Children and Families, L.L.C.	$ 2,295,456	$ 2,365,853
St. Louis County Children's Service Fund (Note 17)	1,746,636	1,282,166
Other - various	126,251	266,301
	$ 4,168,343	$ 3,914,320

NOTE 17 — ST. LOUIS COUNTY CHILDREN'S SERVICE FUND

CFMA receives funding from the St. Louis County Children's Service Fund and recognized program service fees of $1,746,636 and $1,282,166 for the years ended December 31, 2012 and 2011, respectively. The contract was in effect through December 31, 2012.

CFMA incurred the following costs for this contract:

	Years Ended December 31,	
	2012	2011
Family Solutions for Kids	$ 872,332	$ 611,610
Therapeutic Mentoring and Family Support	991,914	618,128
	$ 1,864,246	$ 1,229,738

CFMA shares services and expenses with another not-for-profit organization on the Family Solutions for Kids program, funded by the St. Louis County Children's Service Fund.

NOTE 18 — RELATED PARTY TRANSACTIONS

The Organization is a member of Missouri Alliance for Children and Families, L.L.C. (the Alliance) in which it has a 12.5% equity interest. The Alliance contracts with most of its members to provide a variety of services, as well as with non-member agencies and organizations across the state. The Alliance currently provides services to the Missouri Children's Division under two contracts. Both contracts are reviewed with the state and revised and renewed periodically. Under the initial contract, the Alliance provides case management services to children in the care and custody of the state. The Organization contracts with the Alliance to provide certain services to these clients, including both residential and community-based care.

NOTE 18 — RELATED PARTY TRANSACTIONS (Continued)

Under the second contract, the Alliance is the provider of record with the state, but acts primarily to provide administrative services to the Organization and four other member agencies. These five agencies provide foster care case management services to clients, essentially as subcontractors with the Alliance. The new contract provides annually for bonuses and/or penalties. The Organization also provides other services for its clients and those of other private case management contractors across the state, as determined by the agency assigned to the case. These services include both residential and community-based services.

The Alliance owed the Organization $222,319 and $395,998 at December 31, 2012 and 2011, respectively. The Organization's negative equity in the Alliance is approximately $(182,000) and $(167,000) at December 31, 2012 and 2011, respectively.

The Organization leases office space to the Alliance on a monthly basis. Total rent income received from the related party was $16,831 and $14,400 for the years ended December 31, 2012 and 2011, respectively.

Distributions from the Alliance, included in other revenues, were $88,968 and $67,524 for the years ended December 31, 2012 and 2011, respectively.

NOTE 19 — YOUTH OPPORTUNITIES PROGRAM

The Organization was awarded State of Missouri Youth Opportunities Program credits of $191,280. The award is for a one year period ending December 31, 2012. Credits granted were to be distributed at a 50% rate in exchange for $382,560 in contributions. Total donations and related program expenditures for the project were $259,741 for the year ended December 31, 2012.

The Organization was awarded State of Missouri Youth Opportunities Program credits of $244,324, for a three year period ending December 31, 2011. Credits granted were to be distributed at a 50% rate in exchange for $488,648 in contributions. Total donations and related program expenditures for the project were $68,655 for the year ended December 31, 2011.

NOTE 20 — RESIDENTIAL TREATMENT AGENCY TAX CREDITS

During the years ended December 31, 2012 and 2011, CFMA purchased Missouri Residential Treatment Agency tax credits at a cost of $2,500 and $11,500, respectively. CFMA sold these credits in exchange for $-0- and $18,000 in contributions, respectively, which resulted in net contributions of $2,500 and $6,500, respectively.

NOTE 21 — CONTINGENCIES

Certain revenue received by CFMA is subject to compliance audits by appropriate governmental authorities. The findings of these audits could result in additional liabilities to CFMA. However, management believes that CFMA has complied with the provisions of each contract and the effect of such findings, if any, would not have a material impact on the financial statements.

NOTE 21 — CONTINGENCIES (Continued)

The Organization is a party to certain claims arising out of the normal conduct of its business. While the ultimate resolution of these matters cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the Organization.

NOTE 22 — FAIR VALUE MEASUREMENTS

Fair value is defined 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. For additional information on how the Organization measures fair value, see Note 1.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis:

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value	Fair Value
	December 31, 2012				December 31, 2011
Assets					
Investments	$ 49,454	$ 4,258	$ -	$ 53,712	$ 397,164
Assets held in charitable remainder trusts	556,670	153,203	-	709,873	676,222
Beneficial interests in third-party trusts					
Charitable remainder trusts	106,527	-	39,471	145,998	133,398
Perpetual trusts	1,473,679	99,786	1,355,608	2,929,073	3,037,320
2012 Totals	$ 2,186,330	$ 257,247	$ 1,395,079	$ 3,838,656	
2011 Totals	$ 2,409,162	$ 320,284	$ 1,514,658		$ 4,244,104
Liability-Annuities payable					
2012	$ -	$ -	$ 170,640	$ 170,640	
2011	$ -	$ -	$ 198,207		$ 198,207

NOTE 22 — FAIR VALUE MEASUREMENTS (Continued)

Investment securities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Assets	
Balance on January 1, 2011	$ 1,482,390
Total gains included in earnings	5,890
Purchases	26,378
Balance on December 31, 2011	1,514,658
Total losses included in earnings	(159,050)
Purchases	39,471
Balance on December 31, 2012	$ 1,395,079
Liability	
Balance on January 1, 2011	$ 215,818
Total loss included in earnings	(17,611)
Balance on December 31, 2011	198,207
Total losses included in earnings	(27,567)
Balance on December 31, 2012	$ 170,640

Gains (losses) included in earnings are reported as follows:

	Years Ended December 31,	
	2012	2011
Investments		
Unrealized losses	$ (91,773)	$ (12,420)
Realized gains	74,393	40,763
	(17,380)	28,343
Gain (Loss) From Charitable Remainder Trusts	73,818	(10,792)
Loss From Perpetual Trusts	(108,247)	(54,065)
	$ (51,809)	$ (36,514)

NOTE 23 — CASH FLOWS

Supplemental disclosures of cash flows information is as follows:

	Years Ended December 31,	
	2012	2011
Interest Paid	$ 210,595	$ 110,650

NOTE 24 — SUBSEQUENT EVENT

The Board of Directors of Children's Foundation of Mid-America, Inc. and Presbyterian Children's Homes and Services, Inc. (PCHAS) has each unanimously adopted a resolution to formally Affiliate effective January 15, 2013. PCHAS, with headquarters in Austin, Texas, has provided similar social work and clinical services since 1903 to more than 4,000 children annually, from more than 18 locations in Texas and Louisiana.

Both agencies were founded by Church members related to the Presbyterian Church, U.S.A. to meet the growing needs of families around the turn of the 20th Century. CFMA and PCHAS continue to provide Christ-centered services, through some 500 combined staff, professionally licensed and accredited programs and services throughout their respective states. Today both agencies are stand-alone 501 (c) (3) not-for-profit corporations which continue to operate in covenant with their respective Synods of the Presbyterian Church, U.S.A.

The agreement calls for the two organizations to retain their basic corporate structures for services operating independently in their respective states, Missouri, Louisiana and Texas.

The President/CEO of PCHAS, will assume the position as President of Children's Foundation of Mid-America, Inc. Board of Directors, and the former CMFA Executive Vice President-Program, will assume the position of Executive Director of CFMA. There will be representation from both organizations serving on each other's Board of Directors.

A "Shared Services" agreement was also agreed to by which both corporations will be sharing executive and programmatic expertise with each other in several areas which will broaden and enhance both organizations' capacities in carrying out their mission and services to children and families in Missouri, Louisiana and Texas.

In addition, the Affiliation agreement required CFMA to amend and restate the articles of incorporation and bylaws of CFMA (and for PCHAS to amend and restate its bylaws). The purpose is to provide for PCHAS to become the sole member and to allow PCAS to appoint four board members of CFMA.

Other significant issues related to the Affiliation agreement include the following:

- Provide for short-term financing (Note 7)
- Fundraising efforts
- Coordination of human resources and related benefits (Note 14)
- Shared staffing and information technology

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Children's Foundation of Mid-America, Inc.

We have audited the financial statements of Children's Foundation of Mid-America, Inc. (CFMA and/or the Organization) as of and for the year ended December 31, 2012, and our report thereon dated April 17, 2013, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on such financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements for the year ended December 31, 2012, as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of the Organization as of December 31, 2011, and the related statement of activities, functional expenses, and cash flows for the year then ended and the consolidated statements of financial position of the Organization as of December 31, 2010, 2009, and 2008, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended (none of which is presented herein), and we expressed unmodified opinions on those financial statements. Those audits were conducted for purposes of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011, 2010, 2009, and 2008 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

UHY LLP

St. Louis, Missouri
April 17, 2013

CHILDREN'S FOUNDATION OF MID-AMERICA, INC.

SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 2012 and 2011 (With Comparative Consolidated Totals for 2008 through 2010)

	Years Ended December 31,				
			Comparative Consolidated Totals		
	2012	**2011**	**2010**	**2009**	**2008**
PUBLIC SUPPORT AND REVENUES					
Contributions					
Public	**$ 735,052**	$ 448,863	$ 589,959	$ 602,781	$ 576,399
Estates and trusts	**7,415**	357,412	331,631	272,366	428,814
Related organizations	**100,764**	136,123	169,422	184,849	230,766
Noncash - property and equipment	**-**	-	38,250	-	-
	843,231	942,398	1,129,262	1,059,996	1,235,979
Fees and grants from government and local agencies	**4,764,942**	4,473,400	4,026,382	4,413,661	3,548,863
Program service fees	**4,168,343**	3,914,320	3,189,587	3,302,066	2,535,732
Interest and dividends	**40,142**	57,307	93,795	151,149	204,417
Gains (losses) on investments	**(17,380)**	28,343	72,585	376,104	(875,662)
Gain on sale of property and equipment	**-**	-	5,938	-	6,200
Gain (loss) from charitable remainder trusts	**73,818**	(10,792)	41,589	90,450	(222,132)
Gain (loss) from perpetual trusts	**(108,247)**	(54,065)	53,036	180,128	(681,812)
Gains (losses) on annuities	**(27,563)**	(44,299)	(14,746)	(13,423)	75,109
Other revenues	**252,744**	262,845	147,567	97,270	38,809
Total public support and revenues	**9,990,030**	9,569,457	8,744,995	9,657,401	5,865,503
EXPENSES					
Residential treatment and program services	**9,305,523**	9,116,248	8,691,454	8,200,530	7,068,538
Development and public relations	**334,249**	377,512	417,041	516,241	735,838
Management and general	**603,904**	714,067	727,554	677,017	776,207
Depreciation	**219,421**	213,691	200,238	213,795	245,539
Investment advisory fees	**1,327**	11,219	11,219	11,219	15,266
Interest	**202,693**	202,560	113,731	70,495	70,177
Total expenses	**10,667,117**	10,635,297	10,161,237	9,689,297	8,911,565
CHANGES IN NET ASSETS	**(677,087)**	(1,065,840)	(1,416,242)	(31,896)	(3,046,062)
NET ASSETS, Beginning	**5,864,130**	6,929,970	8,346,212	8,378,108	11,424,170
NET ASSETS, Ending	**$ 5,187,043**	$ 5,864,130	$ 6,929,970	$ 8,346,212	$ 8,378,108

See Independent auditor's report on supplementary information.