

Treasurer's Report



Sheila Baird
Treasurer



Our Fiscal Year ending June 30, 2006 had total unaudited expenses of \$85,113,624, compared to audited results for Fiscal Year 2005 of \$79,437,027. Major factors explaining the 7.1% growth between these two years are presented in this report.

Adoption and Foster Care Services expanded in Fiscal Year 2006 due to our rising census in foster care and also due to several city initiatives aimed at preventing foster care placements and reducing the length of stay in foster care. Children's Aid started an exciting teen program called the Next Generation Teen Center in the Bronx (in part to support teens aging out of foster care), thanks to the generous leadership gift given by the Rosalie Stahl Trust.

Spending for children's centers remains relatively unchanged, primarily due to the city's new Out of School Time (OST) initiative, which replaced other city-funded programs for after-school day care. OST funds are used to maintain and expand after-school programming, including the chorus and other scholastic and recreational programs.

Health and dental spending increased for children in foster care. In addition, our state-funded family planning program is now fully operational at both our Bronx and Milbank clinics. We were very pleased that the state fully restored funding for the Health Care Access Program (HCAP) in FY 2006, enabling us to continue enrolling children and families in affordable health care programs.

Higher spending in our community schools was also funded by city OST contracts, as well as by a new 21st Century contract for middle and high schools.

The Stern National Training Center for Adolescent Sexuality and Teen Pregnancy Prevention has received grants from Atlantic Philanthropies and the Edna McConnell Clark Foundation to expand substantially this highly successful program both nationally and locally.

Spending for administration and development has increased to support the needs of a growing organization but remains less than 9.6% of total spending in Fiscal Year 2006.

Operating Income for year 2006 of \$72,042,037 is a 6.5% increase over 2005. Government funding increased by almost \$4.7 million and is primarily explained by the addition of OST funds at 25 different locations in our schools and centers. Government funds also rose in foster care for both the increased census and new initiatives (as indicated above). It should be noted that almost \$1.8 million of private funding for after-school programs in Fiscal Year 2005 was replaced by government funding in Fiscal Year 2006.

Our shortfall was met with withdrawals from Children's Aid's reserves. Special thanks to the members of our Board of Trustees, Advisory Council and Associates Council and our donors for their generous support.

OPERATING EXPENSES FOR THE YEAR ENDING ⁽¹⁾	JUNE 30, 2006	JUNE 30, 2005
Adoption and Foster Care	\$15,331,083	\$13,064,106
Children's Centers	23,585,820	23,724,486
Family, Child and Community Services	10,854,218	10,727,868
Health Services	11,254,787	10,117,586
Camps	1,890,562	1,717,021
Community Schools	9,789,957	8,839,898
Stern Adolescent Sexuality Training Center	4,349,502	3,475,533
Management and General Administration ⁽²⁾	5,481,768	5,337,624
Development/Fundraising	2,575,927	2,432,905
Grand Total ⁽³⁾	\$85,113,624	\$79,437,027

OPERATING INCOME FOR THE YEAR ENDING	JUNE 30, 2006	JUNE 30, 2005
Restricted and Unrestricted Income ⁽⁴⁾	15,962,647	16,637,251
Public and Government Support	48,069,484	43,403,947
Fees and Other Income	8,009,906	7,617,798
Grand Total	\$72,042,037	\$67,658,996
Surplus / (Deficit)	\$(13,071,587)	\$(11,778,031)

Fiscal Year '06 is based on preliminary audit results. Fiscal Year '05 is based on audited financial statements.

(1) Operating expenses exclude capital purchases in FY 2006 of \$1.9 million for the acquisition of property to expand our Philip Coltoff Center at Greenwich Village and exclude capital improvements of approximately \$900,000 in FY 2006 and \$860,000 in FY 2005.

(2) Management and general expenses in FY 2006 exclude a one time supplemental executive retirement expense.

(3) These figures do not include expenses related to World Trade Center programs which were budgeted at \$2,521,700 in FY '06 and totaled \$2,854,144 in FY '05.

(4) Restricted income figures exclude pledged income of \$2.3 million in FY 2006 and \$12.0 million in FY 2005.

The net assets as of June 30, 2006 (pending final audit) are approximately \$288 million. These assets include restricted and unrestricted reserves, Society-owned buildings, land and other miscellaneous assets.