

For calendar year 2012, or fiscal year beginning NOV 1, 2012, and ending OCT 31, 2013

2012

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**

Name of exempt organization

Employer identification number

FAMILY ENRICHMENT NETWORK

16-1113373

Name and title of officer

**DARRELL NEWVINE
EXECUTIVE DIRECTOR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>6282940</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize DAVIDSON, FOX & COMPANY, LLP to enter my PIN 21527
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

16275121527
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ JESSE J. WHEELER, CPA Date ▶ 02/24/14

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

Return of Organization Exempt From Income Tax

2012

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning NOV 1, 2012 and ending OCT 31, 2013

Header section containing organization name (FAMILY ENRICHMENT NETWORK), address (24 CHERRY STREET, PO BOX 997, JOHNSON CITY, NY 13790), and identification numbers.

Part I Summary

Summary table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, membership counts, and financial data for Prior Year and Current Year.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature block containing officer signature (DARRELL NEWVINE, EXECUTIVE DIRECTOR) and preparer information (JESSE J. WHEELER, CPA).

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: PLANNING, COORDINATING AND IMPLEMENTING CHILD DEVELOPMENT AND CHILD SERVICES ON BEHALF OF CHILDREN AND THEIR FAMILIES IN BROOME COUNTY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 2,427,707. including grants of \$ 131.) (Revenue \$) HEAD START - PROVIDES COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT SERVICES TO ECONOMICALLY DISADVANTAGED PRESCHOOL CHILDREN, CHILDREN WITH DISABILITIES, AND THEIR FAMILIES.

4b (Code:) (Expenses \$ 733,497. including grants of \$ 359,945.) (Revenue \$) CHILD AND ADULT CARE FOOD PROGRAM - PROVIDES NUTRITIONAL TRAINING AND REIMBURSEMENT OF FOOD COSTS TO REGISTERED/LICENSED FAMILY CHILDCARE PROVIDERS

4c (Code:) (Expenses \$ 1,040,186. including grants of \$) (Revenue \$) EARLY HEAD START - PROVIDES COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT SERVICES TO ECONOMICALLY DISADVANTAGED PRESCHOOL CHILDREN, CHILDREN WITH DISABILITIES, AND THEIR FAMILIES.

4d Other program services (Describe in Schedule O.) (Expenses \$ 1,493,274. including grants of \$ 20,604.) (Revenue \$ 627,489.)

4e Total program service expenses 5,694,664.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Main table with columns for question number, description, sub-questions (1a-1b, 2a-2b, etc.), and Yes/No columns. Includes questions about Form 1096, Form W-2G, Form W-3, and various tax compliance issues.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a, 1b, 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, and 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, and 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NY
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: NORA BUSH - 607-723-8313
24 CHERRY STREET, JOHNSON CITY, NY 13790

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CINDY MILLER CHAIRPERSON	2.00	X		X				0.	0.	0.
(2) FREIDA BRILL BOARD MEMBER	2.00	X						0.	0.	0.
(3) WILBERT MIDYETTE TREASURER	2.00	X		X				0.	0.	0.
(4) FRED MEAGHER SECRETARY	2.00	X		X				0.	0.	0.
(5) MARY WOOD BOARD MEMBER	2.00	X						0.	0.	0.
(6) CHRISTOPHER POLSON BOARD MEMBER	2.00	X						0.	0.	0.
(7) TRENT FERRINGTON BOARD MEMBER	2.00	X						0.	0.	0.
(8) FRANK JONES FINANCE, RESOURCE DEVELOPMENT	2.00	X						0.	0.	0.
(9) MARY HASKELL BOARD MEMBER	2.00	X						0.	0.	0.
(10) CONNIE PURDOM POLICY COUNCIL CHAIRPERSON	2.00	X						0.	0.	0.
(11) JEREMY PURDOM BOARD MEMBER	2.00	X						0.	0.	0.
(12) DARRELL NEWVINE EXECUTIVE DIRECTOR	40.00			X				78,718.	30,612.	18,990.
(13) NORA BUSH FINANCE DIRECTOR	40.00			X				47,898.	21,519.	18,191.

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	5,607,739.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	42,454.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f		5,650,193.				
	Program Service Revenue	2 a	JOHNSON CITY SCHOOLS	Business Code 611600	181,288.	181,288.		
b		ALL OTHER PROGRAMS	624100	170,500.	170,500.			
c		BINGHAMTON CITY SCHOOL	611600	108,000.	108,000.			
d		DAY CARE	624410	67,857.	67,857.			
e		UE SPECIAL EDUCATION	611600	58,444.	58,444.			
f		All other program service revenue	611600	41,400.	41,400.			
g		Total. Add lines 2a-2f		627,489.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		318.			318.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
		b	Less: rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less: cost or other basis and sales expenses		1,000.			
		c	Gain or (loss)		1,828.			
		d	Net gain or (loss)		-828.			-828.
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a		13,027.			
		b	Less: direct expenses	b	7,259.			
		c	Net income or (loss) from fundraising events		5,768.			5,768.
9 a	Gross income from gaming activities. See Part IV, line 19	a						
	b	Less: direct expenses	b					
	c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a						
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code						
11 a								
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d							
12	Total revenue. See instructions.			6,282,940.	627,489.	0.	5,258.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	380,680.	380,680.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	126,616.		126,616.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,810,290.	3,407,501.	364,800.	37,989.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	16,401.	9,752.	6,498.	151.
9 Other employee benefits	712,043.	613,114.	92,437.	6,492.
10 Payroll taxes	228,546.	172,339.	51,993.	4,214.
11 Fees for services (non-employees):				
a Management				
b Legal	1,304.	176.	1,128.	
c Accounting	29,100.	6,300.	22,800.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	101,861.	65,081.	36,780.	
12 Advertising and promotion	24,250.	11,424.	11,626.	1,200.
13 Office expenses	46,517.	24,930.	21,464.	123.
14 Information technology				
15 Royalties				
16 Occupancy	222,720.	182,556.	39,129.	1,035.
17 Travel	150,773.	145,305.	4,740.	728.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,952.		2,952.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	156,889.	156,889.		
23 Insurance	58,770.	50,180.	8,513.	77.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SUPPLIES	374,104.	346,506.	15,705.	11,893.
b STAFF DEVELOPMENT	66,183.	64,674.	1,509.	
c TELEPHONE	19,946.	13,758.	6,109.	79.
d PARENT FUND	16,452.	16,452.		
e All other expenses	-231,931.	27,047.	-251,762.	-7,216.
25 Total functional expenses. Add lines 1 through 24e	6,314,466.	5,694,664.	563,037.	56,765.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	188,244.	1	190,934.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net	576,465.	3	331,695.	
	4 Accounts receivable, net	216,171.	4	281,540.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	1,599.	8	2,495.	
	9 Prepaid expenses and deferred charges	1,384.	9	0.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 4,524,744.			
	b Less: accumulated depreciation	10b 1,925,353.	2,639,166.	10c	2,599,391.
	11 Investments - publicly traded securities			11	
	12 Investments - other securities. See Part IV, line 11			12	
	13 Investments - program-related. See Part IV, line 11			13	
	14 Intangible assets	6,761.	14	5,925.	
	15 Other assets. See Part IV, line 11			15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	3,629,790.	16	3,411,980.		
Liabilities	17 Accounts payable and accrued expenses	268,568.	17	279,619.	
	18 Grants payable		18		
	19 Deferred revenue	425.	19	78,025.	
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	1,025,246.	23	956,943.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	657,541.	25	450,909.	
	26 Total liabilities. Add lines 17 through 25	1,951,780.	26	1,765,496.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	1,678,010.	27	1,646,484.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances	1,678,010.	33	1,646,484.		
34 Total liabilities and net assets/fund balances	3,629,790.	34	3,411,980.		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,282,940.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,314,466.
3	Revenue less expenses. Subtract line 2 from line 1	3	-31,526.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,678,010.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,646,484.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization FAMILY ENRICHMENT NETWORK	Employer identification number 16-1113373
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5287942.	6718211.	6627975.	6570692.	5650193.	30855013.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	1947720.	2721576.	563,494.	583,844.	627,489.	6444123.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	7235662.	9439787.	7191469.	7154536.	6277682.	37299136.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 Public support (Subtract line 7c from line 6.)						37299136.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	7235662.	9439787.	7191469.	7154536.	6277682.	37299136.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	245.	175.	186.	411.	318.	1,335.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	245.	175.	186.	411.	318.	1,335.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	7235907.	9439962.	7191655.	7154947.	6278000.	37300471.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	100.00 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	.00 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization

Employer identification number

FAMILY ENRICHMENT NETWORK

16-1113373

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization FAMILY ENRICHMENT NETWORK	Employer identification number 16-1113373
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	NYS DEPARTMENT OF HEALTH 150 BROADWAY ALBANY, NY 12204	\$ 721,233.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	NYS OFFICE OF CHILD AND FAMILY SERVICES 52 WASHINGTON STREET RENSSELAER, NY 12144	\$ 764,443.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	U.S. DEPARTMENT OF EDUCATION 400 MARYLAND AVENUE, SW WASHINGTON, DC 20202	\$ 159,879.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES 8TH FLOOR PORTAL BUILDING WASHINGTON, DC 20024	\$ 3,763,052.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization FAMILY ENRICHMENT NETWORK	Employer identification number 16-1113373
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization FAMILY ENRICHMENT NETWORK	Employer identification number 16-1113373
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Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

FAMILY ENRICHMENT NETWORK

Employer identification number

16-1113373

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	78,587.			78,587.
b Buildings	2,197,858.		591,873.	1,605,985.
c Leasehold improvements	922,665.		200,493.	722,172.
d Equipment	495,743.		377,537.	118,206.
e Other	829,891.		755,450.	74,441.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,599,391.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED EXPENSES	297,362.
(3) DUE FROM RELATED PARTY	153,547.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	450,909.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1	8,918,683.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b	164,836.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	2,463,648.	
e	Add lines 2a through 2d		2e	2,628,484.
3	Subtract line 2e from line 1		3	6,290,199.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b	-7,259.	
c	Add lines 4a and 4b		4c	-7,259.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	6,282,940.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1	9,031,080.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	164,836.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	2,544,519.	
e	Add lines 2a through 2d		2e	2,709,355.
3	Subtract line 2e from line 1		3	6,321,725.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b	-7,259.	
c	Add lines 4a and 4b		4c	-7,259.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	6,314,466.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2: GENERALLY ACCEPTED ACCOUNTING PRINCIPLES CONTAIN A

TWO-STEP APPROACH TO RECOGNIZING AND MEASURING UNCERTAIN TAX POSITIONS.

THE FIRST STEP IS TO EVALUATE THE TAX POSITION FOR RECOGNITION BY

DETERMINING IF THE WEIGHT OF AVAILABLE EVIDENCE INDICATES IT IS MORE

LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED ON AUDIT, INCLUDING

RESOLUTION OF RELATED APPEALS OR LITIGATION PROCESSES, IF ANY. THE SECOND

STEP IS TO MEASURE THE TAX BENEFIT AS THE LARGEST AMOUNT WHICH IS MORE

THAN 50% LIKELY OF BEING REALIZED UPON ULTIMATE SETTLEMENT. THE ENTITIES

Part XIII Supplemental Information (continued)

CONSIDER MANY FACTORS WHEN EVALUATING AND ESTIMATING TAX POSITIONS, WHICH MAY REQUIRE PERIODIC ADJUSTMENTS AND WHICH MAY NOT ACCURATELY ANTICIPATE ACTUAL OUTCOMES. BASED ON GUIDANCE SET FORTH IN PROFESSIONAL STANDARDS, THE ENTITIES HAVE NOT RECORDED ANY LIABILITIES FOR UNCERTAIN TAX POSITIONS OR ANY RELATED INTEREST AND PENALTIES. WITH FEW EXCEPTIONS, THE ENTITIES ARE NO LONGER SUBJECT TO FEDERAL OR STATE INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2009.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

RELATED PARTY REVENUE REPORTED SEPARATELY

PART XI, LINE 4B - OTHER ADJUSTMENTS:

DIRECT COSTS OF FUNDRAISING EVENTS REPORTED ON 990 PART

VIII, LINE 8B

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RELATED PARTY EXPENSES REPORTED SEPARATELY

ROUNDING

PART XII, LINE 4B - OTHER ADJUSTMENTS:

DIRECT COSTS OF FUNDRAISING EVENTS REPORTED ON 990 PART

VIII, LINE 8B

DIRECT EXPENSES RELATED TO FUNDRAISING EVENTS ARE INCLUDED ON THE AUDITED STATEMENT OF FUNCTIONAL EXPENSE IN FUNDRAISING EXPENSES. THE AMOUNT IS REPORTED ON 990 PART VIII, LINE 8B.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

**Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.**

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

FAMILY ENRICHMENT NETWORK

Employer identification number

16-1113373

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ _____
- 3** Enter total number of other organizations listed in the line 1 table ▶ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

FAMILY ENRICHMENT NETWORK

Employer identification number

16-1113373

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CHILDREN AND THEIR FAMILIES IN BROOME COUNTY.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

CHILD CARE RESOURCE AND REFERRAL

UNIVERSAL PRE-KINDERGARTEN

CHILD DAY CARE

FAMILY SERVICES

EXPENSES \$ 1,493,274. INCLUDING GRANTS OF \$ 20,604. REVENUE \$ 627,489.

FORM 990, PART VI, SECTION A, LINE 2: CONNIE PURDOM AND JEREMY PURDOM ARE MEMBERS OF THE BOARD OF DIRECTORS AND MARRIED.

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS REVIEWED AT BY THE BOARD OF DIRECTORS PRIOR TO FILING. ALL MEMBERS ARE PROVIDED COPIES ELECTRONICALLY.

FORM 990, PART VI, SECTION B, LINE 12C: IN CONNECTION WITH ANY ACTUAL OR PERCEIVED CONFLICTS OF INTEREST, AN INTERESTED PERSON MUST ANNUALLY DISCLOSE THE EXISTENCE OF HIS OR HER FINANCIAL INTEREST AND MUST BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT. AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD

Name of the organization FAMILY ENRICHMENT NETWORK	Employer identification number 16-1113373
--	---

OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS.

FORM 990, PART VI, SECTION B, LINE 15B: WAGE COMPARABILITY STUDY PERFORMED FOR ALL POSITIONS WHICH IS REVIEWED WITH THE FINANCE AND THE PERSONNEL COMMITTEES.

FORM 990, PART VI, SECTION C, LINE 19: DOCUMENTS ARE AVAILABLE IN THE FISCAL OFFICE.

990 PART XI, LINE 2C
OVERSIGHT OF AUDIT SERVICES
THE FINANCE COMMITTEE IS RESPONSIBLE FOR OVERSIGHT OF AUDIT OF FINANCIAL STATEMENTS AND SELECTION OF INDEPENDENT ACCOUNTANT. NO CHANGES HAVE BEEN MADE TO THIS POLICY.

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization **FAMILY ENRICHMENT NETWORK** Employer identification number **16-1113373**

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
THE CHILD DEVELOPMENT COUNCIL - 13-4208094 P.O. BOX 997 JOHNSON CITY, NY 13790	COORDINATION OF CHILD DEVELOPMENT AND CARE SERVICES IN BROOME COUNTY	NEW YORK	501(C)(3)	PUBLIC CHARITY	FAMILY ENRICHMENT NETWORK		X

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Copy

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) THE CHILD DEVELOPMENT COUNCIL, INC.	R	167,228.	NET CHANGE IN LIABILITY
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:

NAME OF RELATED ORGANIZATION:

THE CHILD DEVELOPMENT COUNCIL

PRIMARY ACTIVITY: COORDINATION OF CHILD DEVELOPMENT AND CARE SERVICES IN
BROOME COUNTY AREA

Copy

Form CHAR500	Annual Filing for Charitable Organizations New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 http://www.charitiesnys.com	2012
This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006)		Open to Public Inspection

1. General Information						
a. For the fiscal year beginning (mm/dd/yyyy) 11/01/2012 and ending (mm/dd/yyyy) 10/31/2013						
b. Check if applicable for NYS: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization FAMILY ENRICHMENT NETWORK	d. Fed. employer ID no. (EIN) 16-1113373				
	e. NY State registration no. 026137					
	f. Telephone number 607 723-8313					
	g. Email					
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; padding: 5px;">Number and street (or P.O. box if mail not delivered to street address) 24 CHERRY STREET, PO BOX 997</td> <td style="width:40%; padding: 5px;">Room/suite</td> </tr> <tr> <td colspan="2" style="padding: 5px;">City or town, state or country and ZIP + 4 JOHNSON CITY, NY 13790, NY 13790</td> </tr> </table>			Number and street (or P.O. box if mail not delivered to street address) 24 CHERRY STREET, PO BOX 997	Room/suite	City or town, state or country and ZIP + 4 JOHNSON CITY, NY 13790, NY 13790	
Number and street (or P.O. box if mail not delivered to street address) 24 CHERRY STREET, PO BOX 997	Room/suite					
City or town, state or country and ZIP + 4 JOHNSON CITY, NY 13790, NY 13790						

2. Certification - Two Signatures Required			
We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.			
a. President or Authorized Officer	DARRELL NEWVINE	EXECUTIVE DIRECTOR	
Signature	Printed Name	Title	Date
b. Chief Financial Officer or Treas.			
Signature	Printed Name	Title	Date

3. Annual Report Exemption Information	
a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants) Check <input type="checkbox"/> if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year. NOTE: An organization may claim this exemption if no PFR or FRC was used and either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal and contributions from other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.	
b. EPTL annual report exemption (EPTL registrants and dual registrants) Check <input type="checkbox"/> if gross receipts did not exceed \$25,000 and assets (market value) did not exceed \$25,000 at any time during this fiscal year.	
For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. <i>Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.</i>	

4. Article 7-A Schedules	
If you did not check the Article 7-A annual report exemption above, complete the following for this fiscal year:	
a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ... <input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No	
* If "Yes", complete Schedule 4a.	
b. Did the organization receive government contributions (grants)? <input checked="" type="checkbox"/> Yes* <input type="checkbox"/> No	
* If "Yes", complete Schedule 4b.	

5. Fee Submitted: See last page for summary of fee requirements.		
Indicate the filing fee(s) you are submitting along with this form:		
a. Article 7-A filing fee	\$ <u>25.</u>	Submit only one check or money order for the total fee, payable to "NYS Department of Law"
b. EPTL filing fee	\$ <u>250.</u>	
c. Total fee	\$ <u>275.</u>	

6. Attachments - For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments ▶▶▶

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

FINANCIAL STATEMENTS

**OCTOBER 31, 2013 AND 2012
AND FOR THE YEARS THEN ENDED**

Copy

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

OCTOBER 31, 2013 AND 2012

C O N T E N T S

	<u>P A G E</u>
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses for the Year Ended October 31, 2013 with Comparative Totals for the Year Ended October 31, 2012	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 18
Schedule of Expenditures of Federal Awards	19
Notes to Schedule of Expenditures of Federal Awards	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21 - 22
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	23 - 24
Schedule of Findings and Questioned Costs	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Enrichment Network, Inc.
Johnson City, New York 13790

Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Family Enrichment Network, Inc. (a nonprofit organization) and its affiliate as of October 31, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. The prior year summarized comparative information has been derived from the consolidated October 31, 2012 financial statements of Family Enrichment Network, Inc. and its affiliate and, in our report dated February 11, 2013 we expressed an unmodified opinion on those 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Family Enrichment Network, Inc. and its affiliate as of October 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and certain other 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of Family Enrichment Network, Inc. and its affiliate'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Enrichment Network, Inc. and its affiliate's internal control over financial reporting and compliance.

Davidson, Fox & Company, LLP

Binghamton, New York
February 18, 2014

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**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2013 AND 2012**

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 190,934	\$ 188,244
Grants receivable	331,695	576,465
Program service fees receivable	832,334	680,609
Inventory	2,495	1,599
Prepaid expenses	<u>-</u>	<u>1,384</u>
 TOTAL CURRENT ASSETS	 <u>1,357,458</u>	 <u>1,448,301</u>
 PROPERTY AND EQUIPMENT		
Building and improvements	3,120,523	2,988,793
Furniture and equipment	495,743	454,865
Vehicles	829,891	885,891
Land	<u>78,587</u>	<u>78,587</u>
	4,524,744	4,408,136
Less: accumulated depreciation	<u>(1,925,353)</u>	<u>(1,768,970)</u>
 TOTAL PROPERTY AND EQUIPMENT, net	 <u>2,599,391</u>	 <u>2,639,166</u>
 OTHER ASSETS		
Loan acquisition costs, net of accumulated amortization of \$2,440 and \$1,603	 <u>5,925</u>	 <u>6,761</u>
	 <u>\$ 3,962,774</u>	 <u>\$ 4,094,228</u>

See accompanying notes to financial statements

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 113,855	\$ 98,096
Lines of credit	98,100	116,000
Accounts payable	279,619	268,568
Accrued expenses	297,362	336,767
Deferred revenue	<u>78,025</u>	<u>425</u>
 TOTAL CURRENT LIABILITIES	 <u>866,961</u>	 <u>819,856</u>
 LONG-TERM LIABILITIES		
Long-term debt, net of current portion	<u>744,988</u>	<u>811,150</u>
 NET ASSETS		
Unrestricted	<u>2,350,825</u>	<u>2,463,222</u>
	 <u>\$ 3,962,774</u>	 <u>\$ 4,094,228</u>

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
SUPPORT AND REVENUE		
Government grants		
Head Start	\$ 2,629,367	\$ 2,804,055
Early Head Start	1,130,685	1,170,756
Child and Adult Food Grant - HS	273,596	295,456
Child and Adult Food Grant - Providers	458,338	441,656
Child Care Resource and Referral	514,811	469,552
Healthy Marriage	-	230,924
Early Reading First	159,879	388,055
New York State grants	365,610	255,312
Other	75,453	62,763
Program service revenue		
Universal Pre-Kindergarten		
Binghamton City Schools	108,000	108,000
Binghamton Special Education	41,400	42,300
Johnson City Schools	181,288	181,288
Union-Endicott Special Education	58,444	58,317
Day care	67,857	77,341
Special services	2,463,648	1,976,645
Other program fees	170,500	116,598
Contributions and fundraising	55,481	127,732
Interest income	318	411
Loss on disposal of property and equipment	(828)	-
In-kind contributions	<u>164,836</u>	<u>250,061</u>
TOTAL SUPPORT AND REVENUE	<u>8,918,683</u>	<u>9,057,222</u>
EXPENSES		
Program services	8,959,797	9,051,538
Support services	<u>71,283</u>	<u>49,408</u>
TOTAL EXPENSES	<u>9,031,080</u>	<u>9,100,946</u>
CHANGE IN NET ASSETS	(112,397)	(43,724)
NET ASSETS, beginning of year	<u>2,463,222</u>	<u>2,506,946</u>
NET ASSETS, end of year	\$ <u><u>2,350,825</u></u>	\$ <u><u>2,463,222</u></u>

See accompanying notes to financial statements

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2013
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED OCTOBER 31, 2012**

	Program Services						Support Services			Total 2013	Total 2012		
	Head Start	Early Head Start	CCR&R	CACFP	Special Services	Other Programs	Total Programs	Central Administrative	Fundraising				Total Support
(1) Salaries and wages	\$ 1,618,147	\$ 712,124	\$ 273,653	\$ 87,285	\$ 1,637,885	\$ 716,292	\$ 5,045,386	\$ 491,416	\$ 37,989	\$ 529,405	\$ 5,574,791	\$ 5,426,768	(1)
(2) Employee benefits and payroll expenses	368,894	169,491	66,929	31,991	320,655	157,901	1,115,861	150,927	10,857	161,784	1,277,645	1,244,595	(2)
(3) Specific assistance to individuals	131	-	7,943	359,945	-	12,661	380,680	372	-	372	381,052	416,535	(3)
(4) Supplies	29,412	27,801	6,231	222,851	14,675	60,211	361,181	15,701	11,893	27,594	388,775	484,893	(4)
(5) Telephone	8,036	2,668	123	154	3,242	2,776	16,999	6,110	79	6,189	23,188	29,312	(5)
(6) Postage and shipping	2,021	526	7,295	1,305	3,016	670	14,833	9,922	123	10,045	24,878	24,090	(6)
(7) Occupancy	129,551	29,094	6,863	103	39,767	16,945	222,323	39,129	1,035	40,164	262,487	247,790	(7)
(8) Equipment rental and maintenance	2,171	-	570	-	449	3,493	6,683	2,360	-	2,360	9,043	20,197	(8)
(9) Printing and publications	6,693	1,376	3,537	164	1,688	1,343	14,801	11,542	-	11,542	26,343	30,950	(9)
(10) Local travel	6,843	4,964	7,064	2,006	26,324	10,564	57,765	2,365	495	2,860	60,625	46,207	(10)
(11) Out-of-town travel	1,398	398	4,040	596	136	3,006	9,574	1,814	233	2,047	11,621	10,730	(11)
(12) Consultants	-	-	-	-	-	-	-	-	-	-	-	4,034	(12)
(13) Contractual	20,850	19,325	4,608	4,442	158,680	15,856	223,761	36,780	-	36,780	260,541	221,468	(13)
(14) Insurance	44,716	3,963	421	77	1,661	1,004	51,842	8,513	77	8,590	60,432	55,813	(14)
(15) Recruitment and advertising	53	-	-	-	-	11,371	11,424	11,626	1,200	12,826	24,250	16,218	(15)
(16) Dues and memberships	-	-	6,261	165	16	100	6,542	2,295	-	2,295	8,837	8,781	(16)
(17) Meetings and conferences	-	-	-	-	-	-	-	2,953	-	2,953	2,953	3,466	(17)
(18) Parent fund	3,000	1,000	-	-	-	12,452	16,452	-	-	-	16,452	9,931	(18)
(19) Staff development	32,500	22,990	6,164	2,205	4,249	815	68,923	1,074	-	1,074	69,997	59,930	(19)
(20) Pupil transportation	85,440	15,600	-	-	780	3,386	105,206	561	-	561	105,767	142,484	(20)
(21) Field trips	967	209	-	-	387	26	1,589	-	-	-	1,589	2,105	(21)
(22) Bank charges	-	-	-	-	4,195	13,085	17,280	-	43	43	17,323	16,104	(22)
(23) Employee recognition	-	-	-	-	-	-	-	435	-	435	435	145	(23)
(24) Legal and accounting	-	-	-	-	6,900	6,476	13,376	23,928	-	23,928	37,304	46,145	(24)
(25) Subtotal before non-cash expenditures	2,360,823	1,011,529	401,702	713,289	2,224,705	1,050,433	7,762,481	819,823	64,024	883,847	8,646,328	8,568,691	(25)
(26) In-kind expenditures	2,274	162,562	-	-	-	-	164,836	-	-	-	164,836	250,061	(26)
(27) Depreciation and amortization	66,884	28,657	11,380	20,208	63,027	29,759	219,916	-	-	-	219,916	282,194	(27)
(28) Subtotal	2,429,981	1,202,748	413,082	733,497	2,287,732	1,080,192	8,147,233	819,823	64,024	883,847	9,031,080	9,100,946	(28)
(29) Central administrative costs	262,301	115,550	45,321	14,930	256,789	117,673	812,564	(819,823)	7,259	(812,564)	-	-	(29)
(30) Total Expenses	\$ 2,692,282	\$ 1,318,298	\$ 458,403	\$ 748,427	\$ 2,544,521	\$ 1,197,865	\$ 8,959,797	\$ -	\$ 71,283	\$ 71,283	\$ 9,031,080	\$ 9,100,946	(30)

See accompanying notes to financial statements

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (112,397)	\$ (43,724)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	219,916	282,194
Loss on disposal of property and equipment	828	-
(Increase) decrease in		
Grants receivable	244,770	(108,655)
Program service fees receivable	(151,725)	(121,858)
Inventory	(896)	9
Prepaid expenses	1,384	(1,384)
Increase (decrease) in		
Accounts payable	11,051	109,996
Accrued expenses	(39,405)	36,103
Deferred income	<u>77,600</u>	<u>(76,095)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>251,126</u>	<u>76,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(181,133)	(90,819)
Proceeds from disposal of property and equipment	<u>1,000</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(180,133)</u>	<u>(90,819)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) on lines of credit	(17,900)	31,000
Principal payments on long-term debt obligations	(99,403)	(95,983)
Proceeds from new borrowings	<u>49,000</u>	<u>-</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(68,303)</u>	<u>(64,983)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,690	(79,216)
CASH AND CASH EQUIVALENTS, beginning of year	<u>188,244</u>	<u>267,460</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>190,934</u></u>	\$ <u><u>188,244</u></u>

See accompanying notes to financial statements

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

ORGANIZATION

Family Enrichment Network, Inc. (the Network) is a not-for-profit New York corporation organized for the primary purpose of providing supporting services for the optimal developmental, educational, emotional, and physical growth of children and families in the Southern Tier region of New York State. The Network strives to continuously improve the quality and efficiency of childcare and related family services to the community to insure the greatest value for its investment in child and parent development. The majority of the Network's programs are funded by government and private sector grants.

The Network's Management and Board of Directors formed The Child Development Council, Inc. (TCDC) as a not-for-profit corporation in August 2002. TCDC's primary purpose is to provide support services for the optimal development, educational, and physical growth of disabled children in the Southern Tier region of New York State. The programs of TCDC are primarily funded by New York State government sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Network and TCDC. TCDC is consolidated since the Network has both an economic interest in and control of TCDC through a majority voting interest in its governing board. All material inter-organization transactions have been eliminated. The Network and TCDC are collectively referred to as the Entities.

Basis of Presentation

In accordance with generally accepted accounting principles, the Entities are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Management has discretionary control over the Entities' unrestricted net assets and these are utilized to carry out the operations of the Entities in accordance with its by-laws.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, the Entities recognize revenues as earned and expenses as incurred, which conforms to standards of accounting and reporting appropriate to not-for-profit organizations.

Cash and Cash Equivalents

The Entities consider all unrestricted cash on hand, deposits and securities with maturities of three months or less to be cash equivalents.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Inventory

Inventory, consisting of program supplies and food, is valued at the lower of cost or market, on a first-in, first-out basis.

Property and Equipment

Property and equipment are stated at cost. Expenditures with costs exceeding \$5,000 for additions, renewals and betterments are capitalized; expenditures less than \$5,000 or for maintenance and repairs are charged to expense as incurred. Donated equipment is initially recorded at fair market value. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts, and the resulting gain or loss is included in income. Depreciation is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Vehicles	5
Equipment	5 - 15
Building and improvements	5 - 30

The provision for depreciation was \$219,916 and \$282,194 as of October 31, 2013 and 2012, respectively.

Donated Goods, Services and Labor

Donations of materials, supplies, and services are recorded as contributions at their estimated fair values at date of donation. The donated materials, supplies and services benefitted the Head Start and Healthy Marriage programs and consisted of classroom supplies, educational materials, and equipment. In addition, special services have been provided through integrated classrooms whereby the salaries of special education teachers, teacher assistants, aides, therapists and other direct service staff are provided in-kind.

Donated services are recognized as contributions in accordance with generally accepted accounting principles, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of donated services and materials reported in the financial statements as in-kind contributions and corresponding in-kind expenses for years ended October 31, 2013 and 2012 was \$164,836 and \$250,061, respectively.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Network also received donations of non-professional volunteer services valued at \$116,246 and \$161,569 during the year ended October 31, 2013 and 2012, respectively. This amount is not reportable for financial statement purposes, but is included in financial reports to federal agencies.

Revenue Recognition

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 temporarily or permanently restricted assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Grant revenue is recorded as support in the year in which it is received by the Entities unless the grantor specifies that it is to be used in another year. In such case, the Entities record deferred revenue and do not recognize income until the time or purpose restrictions are met. During the current year, the Entities received grant monies to be expended for specific costs. The amounts expended are reflected in program functional expenses. When the grantor receives no direct or indirect benefit from making the grant, the transaction is referred to as non-reciprocal transfer of funds and is recorded as promises to give as explained above.

Program revenue is recorded in accordance with the corresponding contracts. Adjustments to these contracts can be made retroactively by the various funding agencies. Any such adjustments would be recorded by the Entities in the year of notification.

Functional Allocation of Expenses

The costs of providing program and supportive services have been summarized on a functional basis in the Statement of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Recruitment and Advertising Costs

The Entities expense recruitment and advertising production costs as they are incurred, and recruitment and advertising media and communication costs as the related advertising occurs. Recruitment and advertising expense was \$24,250 and \$16,218 for the years ended October 31, 2013 and 2012, respectively.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Entities are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Entities are not liable for Federal or New York State corporate income taxes, or for Federal unemployment insurance.

Generally accepted accounting principles contain a two-step approach to recognizing and measuring uncertain tax positions. The Entities consider many factors when evaluating and estimating tax positions, which may require periodic adjustments and which may not accurately anticipate actual outcomes. Based on guidance set forth in professional standards, the Entities have not recorded any liabilities for uncertain tax positions or any related interest and penalties. With few exceptions, the Entities are no longer subject to federal or state income tax examinations by tax authorities for years before 2009.

Subsequent Events

The Entities have evaluated events and transactions that have occurred between November 1, 2013 and February 18, 2014, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassifications

Certain amounts from the 2012 financial statements have been reclassified to conform to the presentation for 2013. Net income as previously reported was not impacted by this reclassification.

NOTE 2 - ACQUISITION

In March 2012, the Entities acquired Chenango County Child Care Coordinating Council, Inc. (CCCCCC), and merged it into Family Enrichment Network. The purpose of the acquisition was to assume operation of CCCCCC's Child Care Resource and Referral program in Norwich, NY. There was no consideration paid to acquire CCCCCC, however the acquisition did result in a net contributions to the Entities of \$69,882.

NOTE 3 - ACCOUNTS RECEIVABLE

Program service fees receivable consisted of the following at October 31:

	<u>2013</u>	<u>2012</u>
Binghamton City Schools – UPK	\$ 25,500	\$ 30,600
Union Endicott Schools – UPK	-	11,689
Johnson City Schools – UPK	36,258	36,258
Special Services	<u>770,576</u>	<u>602,062</u>
Total	\$ <u>832,334</u>	\$ <u>680,609</u>

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2013 AND 2012
(See independent auditor's report)**

NOTE 3 - ACCOUNTS RECEIVABLE (Continued)

Grants receivable consisted of the following at October 31:

	<u>2013</u>	<u>2012</u>
CACFP Food Reimbursement – Head Start	\$ 33,518	\$ 29,407
CACFP Food Reimbursement – Providers	37,997	37,470
Child Care Referral & Resource	-	156,186
Courthouse	2,638	-
Infant Toddler Program	8,136	-
Head Start	-	145,116
Early Head Start	59,849	30,714
Early Reading First	-	69,638
Early Achiever	4,808	-
Navigator	12,724	-
NOEP	17,382	-
NYS Office of Children & Family Services – Kinship Care	99,881	39,465
Other Grant Awards	<u>54,762</u>	<u>68,469</u>
 Total	 \$ <u>331,695</u>	 \$ <u>576,465</u>

NOTE 4 - LINES OF CREDIT

The Entities have a \$250,000 line of credit with a local lending institution. Interest on outstanding borrowings is payable monthly at prime plus 0.50% (prime was 3.25% October 31, 2013), and are collateralized by substantially all assets of the Entities. Borrowings against this line totaled \$98,100 and \$116,000 at October 31, 2013 and 2012, respectively.

The Entities have a \$50,000, unsecured line of credit with a local lending institution. Interest is payable monthly at prime plus 0.50% (prime was 3.25% at October 31, 2013). Borrowings against this line totaled \$-0- at October 31, 2013 and 2012.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 5 - LONG-TERM DEBT

Long-term debt consisted of the following at October 31:

	<u>2013</u>	<u>2012</u>
Mortgage payable to a local lending institution in 120 monthly installments of \$10,483, including interest at 6.3%, through January 2021. This mortgage replaced the original notes from March 2005 of \$1,096,000 and September 2004 of \$225,000. The mortgage is collateralized by all assets of the Entities.	\$ 721,745	\$ 798,745
Note payable to a local lending institution, in the original amount of \$17,000, in 60 monthly installments of \$283, including interest at 4.25%, through May 2015.	5,383	8,783
Note payable to a local lending institution, in the original amount of \$19,000, in 60 monthly installments of \$377, including interest at 7%, through July 2013.	-	3,646
Note payable to a local lending institution, in the original amount of \$20,000, in 36 monthly installments of \$556, including interest at 4.25%, through October 2014.	6,667	13,333
Note payable to a local lending institution, in the original amount of \$87,000, in 120 monthly installments of \$919, including interest at 4.85%, through June 2017.	77,901	84,739
Note payable to a local lending institution, in the original amount of \$6,000, in 36 monthly installments of \$177, including interest at 3.79%, through January 2016.	4,563	-
Note payable to a local lending institution, in the original amount of \$15,000, in 36 monthly installments of \$417, not including interest at 3.95%, through October 2016.	14,584	-
Note payable to a local lending institution, in the original amount of \$28,000, in 48 monthly installments of \$639, including interest at 4.48%, through October 2017.	<u>28,000</u>	<u>-</u>
Subtotal	858,843	909,246
Less: current portion	<u>(113,855)</u>	<u>(98,096)</u>
Long-term debt	\$ <u>744,988</u>	\$ <u>811,150</u>

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 5 - LONG-TERM DEBT (Continued)

All of the notes listed above are with the same local lending institution and are collateralized by all of the assets of the Entities.

Maturities of long-term debt are as follows for years ending October 31:

2014	\$ 113,855
2015	111,887
2016	114,365
2017	116,049
2018	115,517
Thereafter	<u>287,170</u>
Total	\$ <u>858,843</u>

The Entities' loan and lines of credit agreements contain various restrictions and covenants. The more pertinent of these restrictions require the delivery of annual audited financial statements within 90 days after the end of the close of the fiscal year. For the year ended October 31, 2013, the financial institution has waived this requirement.

NOTE 6 - LEASE COMMITMENTS

Operating Leases

The Entities are party to a non-cancelable operating lease agreement for a parking lot. The lease renews annually at the discretion of the lessee and lessor.

A summary of non-cancelable operating lease commitments is as follows:

<u>Year Ending October 31,</u>	<u>Amount</u>
2014	\$ <u>6,000</u>

The Entities are involved in a month-to-month lease agreement for office space in Owego, NY. The total rent expense paid under this lease was \$5,250 for each of the years ended October 31, 2013 and 2012.

The Entities are involved in other month-to-month lease agreements for office space in Cortland, NY. The total rent expenses paid under these leases were \$18,939 and \$27,123 for the years ended October 31, 2013 and 2012, respectively.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2013 AND 2012
(See independent auditor's report)**

NOTE 7 - CONCENTRATIONS

Revenues

The Entities realized approximately 42% and 46% of its revenues from United States Department of Health and Human Services for the years ended October 31, 2013 and 2012, respectively.

Credit Risk

The Entities maintain cash balances at a financial institution located in Binghamton, New York. Accounts at this institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. As of October 31, 2013, the Entities had no uninsured cash.

NOTE 8 - EMPLOYEE BENEFIT PLANS

The Entities have adopted the following employee benefit plans for the benefit of all employees:

A. Flex Benefit

1. Premium Conversion – Under this component, employees' contributions for their share of health insurance premiums are deducted prior to the application of federal and state employment taxes.
2. Spending Accounts – Under this component, employees determine an amount of pre-tax money to be used to pay for medical expenses that the Entities' insurance does not cover, e.g., deductible amounts, or to pay for dependent care expenses.

B. Defined Contribution Plan

The following description of Family Enrichment Network 401(k) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code that was established on November 1, 1993 for the purpose of providing retirement benefits for eligible employees of Entities. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Employees are eligible to participate in the Plan's salary deferral option when they reach the age of 21 and have been employed with the Entities for three months. The Plan allows participants to defer up to 100% of their eligible compensation, but participants are limited to the annual threshold set by the Internal Revenue Service. The Entities match 100% of each participant's deferral, up to a maximum of 2% of compensation. As of November 1, 2006, participants have the option of making Roth elective deferrals.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2013 AND 2012
(See independent auditor's report)**

NOTE 8 - EMPLOYEE BENEFIT PLANS (Continued)

Each participant's account is credited with the participant's contribution and allocation of (a) the Entities' contributions, (b) Plan earnings, and (c) forfeitures of terminated participants' non-vested accounts. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. The Plan is a participant-directed Plan. Participants are immediately vested in their voluntary contributions. There is a six year graded vesting schedule with regard to the Entities' contributions of 20% vesting after two years of services, and an additional 20% vesting for each additional year of service. In addition, a participant's account balance will become fully vested upon reaching retirement age, becoming disabled or dying while employed by the Entities. Normal retirement age is 60.

Upon termination of employment, participants may receive all or part of their vested account balance paid at any time. If the value of the participant's vested interest is \$5,000 or less, the value is automatically distributed to the participant in a lump-sum amount. Active participants may receive a portion of their vested accounts once they reach age 60. Required minimum distributions are made once a participant reaches age 70½. Additionally, active participants may make hardship withdrawals to satisfy financial hardships as specified in the Plan document. Forfeited, non-vested accounts are retained in the Plan and are first used to pay administrative expenses. The remaining forfeitures shall be allocated to participants' accounts and used to reduce the contribution of the employer.

For the year ended October 31, 2013 and 2012, the Board of Directors authorized a matching contribution of up to 2% of employees' eligible compensation resulting in contributions totaling \$33,513 and \$33,027 for program services employees and \$6,498 and \$8,227 for administrative employees, respectively.

NOTE 9 - CONTINGENCIES

The Entities receives the majority of their revenues from government grants and awards. The ultimate determination of amounts received under these programs, generally, is based upon allowable costs reported to and audited by the government agencies. Until such audits occur and final settlements reached, there exists a contingency to refund any amount received in excess of allowable costs.

During 2008, the Entities received notification that they may be liable for certain losses that were sustained when they were a member of a workers' compensation insurance trust (the Trust). The Entities pulled out of the trust in 2004. The Trust is currently seeking damages in the amount of \$143,951 for the Entities' alleged pro rata portion of the cumulative deficit of the trust. At October 31, 2013 and 2012, the preliminary estimate made by the trust is that the Entities' portion of the under-funding is approximately \$68,274 for the years 1999 through 2002. The accompanying financial statements reflect this estimated liability as an accrued expense. Any adjustments will be recognized in future periods when the final settlement is determined. During 2013, the Entities were not advised of any changes to this estimated liability.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 10 - RELATED PARTY TRANSACTIONS

During the year ended October 31, 2013, the Entities signed a lease agreement with a company owned by a member of the Board of Directors. The Entities paid a total of \$1,750 in 2013 under this lease agreement.

During the year ended October 31, 2013 the Entities paid \$8,970 for various construction projects to a company owned by a member of the Board of Directors.

NOTE 11 - SUPPLEMENTAL CASH FLOW DISCLOSURES

Non-cash Investing and Financing Activities

The Entities acquired a building using borrowings of \$87,000 during the year ended October 31, 2012.

Cash Payments for Interest and Income Taxes

Cash payments for interest were as follows for the years ended October 31, 2013:

	<u>2013</u>	<u>2012</u>
Interest	\$ <u>56,318</u>	\$ <u>60,322</u>

No income taxes were paid during the years ended October 31, 2013 and 2012.

NOTE 12 - PROGRAM DESCRIPTIONS

Head Start and Early Head Start

The Head Start program provides comprehensive early childhood development services to economically disadvantaged preschool children, children with disabilities and their families. The targeted areas served by the programs include the City of Binghamton, the Villages of Johnson City and Kirkwood, and the Towns of Binghamton, Conklin and Kirkwood. All areas are within New York State.

The Head Start program provisions allow certain expenditures to be incurred and liquidated within 90 days of the end of the program year. While allowable under the contract/agreement, such items are not includable for purposes of financial statement presentation in accordance with generally accepted accounting principles. In addition, program expenditures for contract purposes include items that are properly recorded as prepayments and/or capitalized as property and equipment additions for financial statement purposes.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 12 - PROGRAM DESCRIPTIONS (Continued)

Early Head Start (EHS) offers a center base, full day early childhood program for families with children six weeks to three years of age. Services include programming in health, nutrition, early education, special services, and family and community partnership. Transportation and meals are provided; income eligibility and age guidelines apply. Early Head Start was launched in 1995 to provide comprehensive child and family development services for low-income pregnant women and families with infants and toddlers ages birth to three years. Early Head Start (EHS) programs were established to provide early, continuous, intensive, and comprehensive child development and family support services on a year-round basis. The purpose of the program is to enhance children's physical, social, emotional, and intellectual development; to support parents' efforts to fulfill their parental roles; and to help parents move toward self-sufficiency.

The following reconciles amounts reported in the financial statements with those reported to the Department of Health and Human Services (via Form SF-425):

Functional expenses before in-kind expenditures, depreciation, and allocated central administrative expense per Statement of Functional Expenses	\$	3,372,352
Program Income from sale of property and equipment		1,000
Expenses allocated to central administrative expense required to be reported for Head Start compliance		377,851
Capital expenditures for Head Start/ Early Head Start		530
Indirect adjustments for capitalization		<u>9,319</u>
Program expenses before in-kind expenditures and depreciation per Schedule of Expenditures of Federal Awards		3,761,052
In-kind expenditures: labor (including Non-GAAP volunteers)		118,686
In-kind expenditures: goods and services		263,330
Local Match		<u>735,256</u>
Total in-kind expenditures and match		<u>1,117,272</u>
Reported on 425 – total outlays	\$	<u>4,878,324</u>

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFLIATE**

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

(See independent auditor's report)

NOTE 12 - PROGRAM DESCRIPTIONS (Continued)

Child Care Resource and Referral (CCR&R)

Child Care Resource and Referral (CCR&R) provides in-depth information on childcare options and community resources are made available to families in Broome and Tioga Counties. Technical assistance, training and support are offered to caregivers and follow-up is conducted on all childcare referrals. Also, childcare data is collected to ascertain whether childcare needs of all communities are being met.

Child and Adult Care Food Program (CACFP)

The Child and Adult Care Food Program provides nutritional training and reimbursement of food costs to registered/licensed family childcare providers service U.S. Department of Agriculture approved means to children in their care.

Special Services

The special services program provides support services for the educational, emotional and physical growth and development of disabled children.

All Other Programs

The Entities have contracted with numerous agencies to provide services, conduct research, and perform seminars relating to childcare and family issues. These agencies include the State of New York, Broome County, Cortland County, Chenango County, Delaware County, Tioga County, Binghamton City School District, Johnson City School District, Union Endicott School District, Cortland School District, United Health Services, Etna, and STAR Group. Any program and administrative expenses not covered by grants and contractual agreements are covered by the Entities themselves.

NOTE 13 - SUBSEQUENT EVENTS

During the year ending October 31, 2013, the Network acquired a residential two-family dwelling in Johnson City, New York with the intentions of remodeling and leasing it under the Section 8 housing choice voucher program of the United States Department of Housing and Urban Development (HUD). In November and December 2013, the Network signed leases with two tenants and entered into a Housing Assistance Payments (HAP) contract with the Binghamton Housing Authority, who will make housing assistance payments to the Network on behalf of the tenants.

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED OCTOBER 31, 2013**

<u>Funding Source/Program Title</u>	<u>Federal CFDA Number</u>	Pass Through Grantor <u>Number</u>	<u>Expenditure of Federal Funds</u>
U.S. Department of Agriculture			
Passed through NY State Department of Health			
Child and Adult Care Food Program - HS	10.558	2005	\$ 273,596
Child and Adult Care Food Program - Providers	10.558	2006	447,638
Nutrition Outreach and Education Program	10.558	2010-11	<u>64,757</u>
Sub-total CFDA 10.558			<u>785,991</u>
U.S. Department of Health and Human Services			
Passed through NYS Department of Social Services			
Child Care and Development Block Grant	93.575	C025172	<u>505,600</u>
Passed through NYS Office of Children and Family Services			
Kinship Caregiver Program	93.558	C024357	<u>97,182</u>
Head Start	93.600		<u>3,760,052</u>
TOTAL FEDERAL EXPENDITURES			\$ <u>5,148,825</u>

See accompanying notes to schedule of expenditures of federal awards

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED OCTOBER 31, 2013**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Enrichment Network, Inc. and its affiliate is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

There were no pass-through amounts to subrecipients associated with the programs appearing in the accompanying schedule of expenditures of federal awards.

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

To the Board of Directors
Family Enrichment Network, Inc.
Johnson City, New York 13790

We have audited, in accordance with the 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, the financial statements of Family Enrichment Network, Inc. and its affiliate (the organization), which comprise the statement of financial position as of October 31, 2013 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

(Continued)

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davidson, Fox + Company, LLP

Binghamton, New York
February 18, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Family Enrichment Network, Inc.
Johnson City, New York 13790

Compliance

We have audited the compliance Family Enrichment Network, Inc. and its affiliate with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2013. Family Enrichment Network, Inc. and its affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Family Enrichment Network, Inc. and its affiliate's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Family Enrichment Network, Inc. and its affiliate's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about Family Enrichment Network, Inc. and its affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Family Enrichment Network, Inc. and its affiliate's compliance with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

(Continued)

Opinion

In our opinion, Family Enrichment Network, Inc. and its affiliate complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2013.

Internal Control over Compliance

The management of Family Enrichment Network, Inc. and its affiliate is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Family Enrichment Network, Inc. and its affiliate's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family Enrichment Network, Inc. and its affiliate's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

Restricted Use

This report is intended solely for the information and use of the Board of Directors, management of Family Enrichment Network, Inc. and its affiliate, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entities internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Davidson, Fox + Company, LLP

Binghamton, New York
February 18, 2014

**FAMILY ENRICHMENT NETWORK, INC.
AND CONSOLIDATED AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2013**

I. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Family Enrichment Network, Inc. and Consolidated Affiliate.
2. There were no significant deficiencies disclosed during the audit of the financial statements as reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Family Enrichment Network, Inc. were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Family Enrichment Network, Inc. and Consolidated Affiliate expresses an unmodified opinion.
5. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
6. The programs tested as major programs included:
Department of Health & Human Services, Head Start: CFDA #93.600
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Family Enrichment Network, Inc. and Consolidated Affiliate were determined to be a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS – CURRENT YEAR

None noted.

III. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

None noted.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS - CURRENT YEAR

None noted.

IV. FEDERAL AWARD FINDINGS D QUESTIONED COSTS - PRIOR YEAR

None noted.