

**FANNIE BATTLE DAY HOME FOR
CHILDREN, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2008 and 2007

**FANNIE BATTLE DAY HOME FOR
CHILDREN, INC. AND AFFILIATE**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fannie Battle Day Home for Children, Inc. and affiliate
Nashville, Tennessee

We have audited the accompanying consolidated statements of financial position of Fannie Battle Day Home for Children, Inc. and affiliate (a nonprofit organization) as of June 30, 2008 and 2007, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fannie Battle Day Home for Children, Inc. and affiliate as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying information on pages 13 through 16 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Frasier, Dean & Howard, PLLC

November 7, 2008

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

	Assets	
	2008	2007
Current assets:		
Cash and cash equivalents	\$ 108,391	\$ 77,995
Investments	1,431,100	1,484,117
Accounts and contributions receivable	87,787	94,892
Prepaid expenses	10,075	10,677
Total current assets	<u>1,637,353</u>	<u>1,667,681</u>
Property and equipment:		
Land	173,464	173,464
Buildings	470,023	458,741
Equipment	177,233	175,053
	<u>820,720</u>	<u>807,258</u>
Less: accumulated depreciation	<u>(400,969)</u>	<u>(377,534)</u>
	<u>419,751</u>	<u>429,724</u>
Other assets:		
Future interest in life income gift	<u>-</u>	<u>75,000</u>
Total assets	<u>\$ 2,057,104</u>	<u>\$ 2,172,405</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 7,451	\$ 1,644
Accrued expenses	30,858	35,079
Total liabilities	<u>38,309</u>	<u>36,723</u>
Net assets:		
Board designated	681,494	696,601
Other unrestricted	1,303,628	1,320,052
Total unrestricted	<u>1,985,122</u>	<u>2,016,653</u>
Temporarily restricted	<u>33,673</u>	<u>119,029</u>
Total net assets	<u>2,018,795</u>	<u>2,135,682</u>
Total liabilities and net assets	<u>\$ 2,057,104</u>	<u>\$ 2,172,405</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Contributions	\$ 142,965	\$ 33,673	\$ 176,638
Membership fund-raising activities	79,546	-	79,546
Total public support	<u>222,511</u>	<u>33,673</u>	<u>256,184</u>
Revenues:			
Grants	94,660	-	94,660
Day home fees	285,070	-	285,070
DHS food subsidies	56,812	-	56,812
Investment return, net	(28,377)	-	(28,377)
Gain on disposal of asset	8,063	-	8,063
Other	2,250	-	2,250
Total revenues	<u>418,478</u>	<u>-</u>	<u>418,478</u>
Net assets released from restrictions	<u>119,029</u>	<u>(119,029)</u>	<u>-</u>
Total public support and revenues	<u>760,018</u>	<u>(85,356)</u>	<u>674,662</u>
Expenses:			
Program services	621,449	-	621,449
Supporting services	170,100	-	170,100
Total expenses	<u>791,549</u>	<u>-</u>	<u>791,549</u>
Change in net assets	(31,531)	(85,356)	(116,887)
Net assets - beginning of year	<u>2,016,653</u>	<u>119,029</u>	<u>2,135,682</u>
Net assets - end of year	<u>\$ 1,985,122</u>	<u>\$ 33,673</u>	<u>\$ 2,018,795</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Contributions	\$ 145,099	\$ 44,029	\$ 189,128
Membership fund-raising activities	64,754	-	64,754
Total public support	<u>209,853</u>	<u>44,029</u>	<u>253,882</u>
Revenues:			
Grants	220,437	-	220,437
Day home fees	297,422	-	297,422
DHS food subsidies	55,810	-	55,810
Investment return, net	163,610	-	163,610
Other	93,628	-	93,628
Total revenues	<u>830,907</u>	<u>-</u>	<u>830,907</u>
Net assets released from restrictions	<u>46,700</u>	<u>(46,700)</u>	<u>-</u>
Total public support and revenues	<u>1,087,460</u>	<u>(2,671)</u>	<u>1,084,789</u>
Expenses:			
Program services	677,304	-	677,304
Supporting services	148,864	-	148,864
Total expenses	<u>826,168</u>	<u>-</u>	<u>826,168</u>
Change in net assets	261,292	(2,671)	258,621
Net assets - beginning of year	<u>1,755,361</u>	<u>121,700</u>	<u>1,877,061</u>
Net assets - end of year	<u>\$ 2,016,653</u>	<u>\$ 119,029</u>	<u>\$ 2,135,682</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2008

	Program Services	Supporting Services			Total	Total Expenses
	Day Home	Fundraising Activities	General and Administrative		Total	
Salaries	\$ 330,301	\$ 32,602	\$ 53,915	\$	86,517	\$ 416,818
Children's enrichment	72,730	-	-		-	72,730
Groceries	55,060	-	-		-	55,060
Repairs and maintenance	34,870	-	-		-	34,870
Payroll taxes	23,619	2,494	3,703		6,197	29,816
Utilities	28,883	-	-		-	28,883
Legal and professional fees	-	-	22,356		22,356	22,356
913 Project expenses	-	-	19,347		19,347	19,347
Employee benefits	13,925	1,352	727		2,079	16,004
Office supplies and expenses	-	-	12,798		12,798	12,798
Insurance	10,513	-	1,728		1,728	12,241
Classroom expenses	10,653	-	-		-	10,653
Advertising and other fundraising	-	7,415	-		7,415	7,415
Teacher and family education	7,336	-	-		-	7,336
Auto expense	5,597	-	-		-	5,597
Tuition reimbursement	-	-	4,565		4,565	4,565
Printing	-	-	3,868		3,868	3,868
Security	2,881	-	-		-	2,881
Postage	-	-	2,453		2,453	2,453
Miscellaneous	648	-	777		777	1,425
Dues and subscriptions	998	-	-		-	998
	<u>598,014</u>	<u>43,863</u>	<u>126,237</u>		<u>170,100</u>	<u>768,114</u>
Depreciation	23,435	-	-		-	23,435
Total	<u>\$ 621,449</u>	<u>\$ 43,863</u>	<u>\$ 126,237</u>		<u>\$ 170,100</u>	<u>\$ 791,549</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2007

	Program Services	Supporting Services			Total	Total Expenses
	Day Home	Fundraising Activities	General and Administrative			
Salaries	\$ 423,167	\$ 42,000	\$ 41,475	\$	\$ 83,475	\$ 506,642
Groceries	46,497	-	-		-	46,497
Payroll taxes	31,327	3,213	3,173		6,386	37,713
Children's enrichment	37,207	-	-		-	37,207
Repairs and maintenance	27,444	-	-		-	27,444
Utilities	27,213	-	-		-	27,213
Legal and professional fees	-	-	21,850		21,850	21,850
Employee benefits	14,421	1,352	3,743		5,095	19,516
Classroom expenses	15,946	-	-		-	15,946
Insurance	11,976	-	1,883		1,883	13,859
Office supplies and expenses	-	-	13,341		13,341	13,341
Teacher and family education	11,925	-	-		-	11,925
Advertising and other fundraising	-	7,415	-		7,415	7,415
Auto expense	4,352	-	-		-	4,352
Printing	-	-	3,724		3,724	3,724
Security	2,306	-	-		-	2,306
Tuition reimbursement	-	-	2,296		2,296	2,296
Postage	-	-	2,248		2,248	2,248
Miscellaneous	406	-	1,151		1,151	1,557
Dues and subscriptions	1,085	-	-		-	1,085
	<u>655,272</u>	<u>53,980</u>	<u>94,884</u>		<u>148,864</u>	<u>804,136</u>
Depreciation	22,032	-	-		-	22,032
Total	<u>\$ 677,304</u>	<u>\$ 53,980</u>	<u>\$ 94,884</u>		<u>\$ 148,864</u>	<u>\$ 826,168</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (116,887)	\$ 258,621
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contribution of investments	-	(8,268)
Contribution of property and equipment	-	(4,271)
Depreciation	23,435	22,032
Realized and unrealized loss (gain) on investments, net	72,781	(144,858)
Gain on disposal of asset	(8,063)	-
Changes in operating assets and liabilities:		
Accounts receivable	7,105	(3,382)
Prepaid expenses	602	1,741
Accounts payable	5,807	978
Accrued expenses	(4,221)	11,529
Total adjustments	<u>97,446</u>	<u>(124,499)</u>
Net cash (used in) provided by operating activities	<u>(19,441)</u>	<u>134,122</u>
Cash flows from investing activities:		
Proceeds from sale of asset	83,063	-
Proceeds from sale of investments	47,612	144,537
Purchase of investments	(67,376)	(179,846)
Purchase of property and equipment	<u>(13,462)</u>	<u>(137,668)</u>
Net cash provided by (used in) investing activities	<u>49,837</u>	<u>(172,977)</u>
Net increase (decrease) in cash and cash equivalents	30,396	(38,855)
Cash and cash equivalents - beginning of year	<u>77,995</u>	<u>116,850</u>
Cash and cash equivalents - end of year	<u>\$ 108,391</u>	<u>\$ 77,995</u>
Supplemental disclosure:		
Contributed investments	<u>\$ -</u>	<u>\$ 8,268</u>
Contributed property and equipment	<u>\$ -</u>	<u>\$ 4,271</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Fannie Battle Day Home for Children, Inc. (the “Organization”) is a not-for-profit corporation that maintains and operates a day home for the instruction and care of children of working parents and/or parents pursuing an education.

Principles of Consolidation

The financial statements include the accounts of the Fannie Battle Day Home for Children, Inc. and its affiliated supporting organization, Fannie Battle Day Home Endowment Fund, Inc. All significant inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation

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

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Contributions which are restricted for specific programs are reflected as unrestricted revenue if these funds are received and spent during the same fiscal year as permitted by SFAS No. 116.

Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

In accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Accounts and contributions receivable are reviewed periodically as to their collectability. Based on collection experience and management's review, no allowance for doubtful accounts is considered necessary at June 30, 2008 and 2007.

Income Tax Status

The Organization and its affiliated supporting organization are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, and are classified as organizations that are not private foundations as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

NOTE 2 – CONCENTRATIONS

Cash and investments include funds deposited in FDIC insured bank accounts. Balances on deposit may at times exceed amounts covered by FDIC insurance. Management believes that risk of loss is mitigated by maintaining deposits in high quality financial institutions.

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at June 30:

	<u>2008</u>	<u>2007</u>
Future interest in life income gift	\$ -	\$ 75,000
Operating resources in next fiscal year	<u>33,673</u>	<u>44,029</u>
	<u>\$ 33,673</u>	<u>\$ 119,029</u>

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 3 – RESTRICTIONS ON NET ASSETS (Continued)

Board designated net assets are available for the following purpose at June 30:

	<u>2008</u>	<u>2007</u>
Board designated endowment fund	\$ 681,494	\$ 696,601

NOTE 4 – DHS SUBSIDIES

The Organization receives monthly subsidies under the Department of Human Services Food Nutrition and Child Assistance Programs. For the years ended June 30, 2008 and 2007, the Organization received \$247,225 and \$270,201 in subsidies, respectively, which are included in the accompanying statements of activities in DHS food subsidies and Day home fees. The Organization intends to reapply to DHS for continuation of the subsidies when the current contracts expire. At June 30, 2008 and 2007, there was a subsidy receivable of \$45,504 and \$50,614, respectively.

NOTE 5 – INVESTMENTS

Investments at fair value, as of June 30, 2008 and 2007, are summarized as follows:

	<u>2008</u>	<u>2007</u>
Corporate debt securities	\$ 33,399	\$ 87,678
Government backed securities	60,161	52,579
Equity funds	1,255,251	1,264,086
Certificates of deposit	<u>82,289</u>	<u>79,774</u>
	<u>\$ 1,431,100</u>	<u>\$ 1,484,117</u>

The following schedule summarizes the investment return for the year ended June 30:

	<u>2008</u>	<u>2007</u>
Interest and dividends	\$ 44,404	\$ 18,752
Realized and unrealized gains (losses)	<u>(72,781)</u>	<u>144,858</u>
	<u>\$ (28,377)</u>	<u>\$ 163,610</u>

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is provided using the straight-line basis over the estimated useful lives of the respective assets, which range from forty years for buildings to three years for equipment. Expenditures for repairs and maintenance are charged to expense as incurred.

NOTE 7 – FUTURE INTEREST IN LIFE INCOME GIFT

In 1989, the Organization received a Quitclaim deed that provided a remainder interest in residential property in Davidson County, while reserving the grantor's life estate. The fair value of the life income gift, estimated to be \$75,000 at June 30, 2007, has been recorded as a temporarily restricted net asset. During 2008, the Organization received \$83,063 from the sale of the property.

NOTE 8 – CONTRIBUTED SERVICES

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statements of activities because the criteria for recognition under generally accepted accounting principles has not been satisfied.

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) profit sharing plan covering all personnel who are at least 21 years old and have completed the eligibility requirements. Employees may defer a portion of their compensation into the plan in accordance with the plan document. The Organization's contribution to the plan is determined annually by the Board of Directors. The retirement plan expense for the years ended June 30, 2008 and 2007 was \$6,000.

NOTE 10 – FUNDRAISING

The following is a summary of fundraising contributions received and expenses incurred for each major fundraising activity:

	2008			2007		
	Contributions	Expenses	Net	Contributions	Expenses	Net
Caroling	\$ 61,797	\$ 6,576	\$55,221	\$ 55,202	\$ 6,162	\$49,040
Other	17,749	839	16,910	9,552	1,253	8,299
	<u>\$ 79,546</u>	<u>\$ 7,415</u>	<u>\$72,131</u>	<u>\$ 64,754</u>	<u>\$ 7,415</u>	<u>\$57,339</u>

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 11 – ENDOWMENT FUND

The Fannie Battle Day Home Endowment Fund, Inc. (“Endowment”) was established effective May 16, 2001. Endowment was established as a separate 501(c)(3) entity to assist management of the Organization in the exercise of its fiduciary duty related to board designated endowment investments. All investments in the board designated endowment fund were transferred to Endowment during fiscal 2002. The financial statements of Endowment are consolidated with the Organization in the accompanying financial statements as the Organization controls Endowment through the appointment of its board of directors.

SUPPLEMENTAL INFORMATION

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2008

Assets

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidated</u>
Current assets:			
Cash and cash equivalents	\$ 107,361	\$ 1,030	\$ 108,391
Investments	750,636	680,464	1,431,100
Accounts receivable	87,787	-	87,787
Prepaid expenses	10,075	-	10,075
	<u>955,859</u>	<u>681,494</u>	<u>1,637,353</u>
Property and equipment:			
Land	173,464	-	173,464
Buildings	470,023	-	470,023
Equipment	177,233	-	177,233
	<u>820,720</u>	<u>-</u>	<u>820,720</u>
Less: accumulated depreciation	<u>(400,969)</u>	<u>-</u>	<u>(400,969)</u>
	<u>419,751</u>	<u>-</u>	<u>419,751</u>
Other assets:			
Future interest in life income gift	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,375,610</u>	<u>\$ 681,494</u>	<u>\$ 2,057,104</u>

Liabilities and Net Assets

Liabilities:			
Accounts payable	\$ 7,451	\$ -	\$ 7,451
Accrued expenses	30,858	-	30,858
	<u>38,309</u>	<u>-</u>	<u>38,309</u>
Net assets:			
Board designated	-	681,494	681,494
Other unrestricted	1,303,628	-	1,303,628
	<u>1,303,628</u>	<u>681,494</u>	<u>1,985,122</u>
Temporarily restricted	<u>33,673</u>	<u>-</u>	<u>33,673</u>
Total net assets	<u>1,337,301</u>	<u>681,494</u>	<u>2,018,795</u>
Total liabilities and net assets	<u>\$ 1,375,610</u>	<u>\$ 681,494</u>	<u>\$ 2,057,104</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
Public support and revenues:				
Public support:				
Contributions	\$ 176,188	\$ 450	\$ -	\$ 176,638
Membership fund-raising activities	79,546	-	-	79,546
Total public support	255,734	450	-	256,184
Revenues:				
Grants	94,660	-	-	94,660
Day home fees	285,070	-	-	285,070
DHS food subsidies	56,812	-	-	56,812
Investment return, net	(29,335)	958	-	(28,377)
Gain on disposal of asset	8,063	-	-	8,063
Other	18,765	-	(16,515)	2,250
Total revenues	434,035	958	(16,515)	418,478
Total public support and revenues	689,769	1,408	(16,515)	674,662
Expenses:				
Contributions to Day Home	-	16,515	(16,515)	-
Program services	621,449	-	-	621,449
Supporting services	170,100	-	-	170,100
Total expenses	791,549	16,515	(16,515)	791,549
Change in net assets	\$ (101,780)	\$ (15,107)	\$ -	\$ (116,887)

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2007

Assets			
	<u>Organization</u>	<u>Endowment</u>	<u>Consolidated</u>
Current assets:			
Cash and cash equivalents	\$ 77,306	\$ 689	\$ 77,995
Investments	788,205	695,912	1,484,117
Accounts receivable	94,892	-	94,892
Prepaid expenses	10,677	-	10,677
Total current assets	<u>971,080</u>	<u>696,601</u>	<u>1,667,681</u>
Property and equipment:			
Land	173,464	-	173,464
Buildings	458,741	-	458,741
Equipment	175,053	-	175,053
	<u>807,258</u>	<u>-</u>	<u>807,258</u>
Less: accumulated depreciation	<u>(377,534)</u>	<u>-</u>	<u>(377,534)</u>
	<u>429,724</u>	<u>-</u>	<u>429,724</u>
Other assets:			
Future interest in life income gift	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total assets	<u><u>\$ 1,475,804</u></u>	<u><u>\$ 696,601</u></u>	<u><u>\$ 2,172,405</u></u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 1,644	\$ -	\$ 1,644
Accrued expenses	<u>35,079</u>	<u>-</u>	<u>35,079</u>
Total liabilities	<u>36,723</u>	<u>-</u>	<u>36,723</u>
Net assets:			
Board designated	-	696,601	696,601
Other unrestricted	<u>1,320,052</u>	<u>-</u>	<u>1,320,052</u>
Total unrestricted	<u>1,320,052</u>	<u>696,601</u>	<u>2,016,653</u>
Temporarily restricted	<u>119,029</u>	<u>-</u>	<u>119,029</u>
Total net assets	<u>1,439,081</u>	<u>696,601</u>	<u>2,135,682</u>
Total liabilities and net assets	<u><u>\$ 1,475,804</u></u>	<u><u>\$ 696,601</u></u>	<u><u>\$ 2,172,405</u></u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
Public support and revenues:				
Public support:				
Contributions	\$ 187,553	\$ 1,575	\$ -	\$ 189,128
Membership fund-raising activities	64,754	-	-	64,754
Total public support	252,307	1,575	-	253,882
Revenues:				
Grants	220,437	-	-	220,437
Day home fees	297,422	-	-	297,422
DHS food subsidies	55,810	-	-	55,810
Investment return, net	85,447	78,163	-	163,610
Other	93,628	-	-	93,628
Total revenues	752,744	78,163	-	830,907
Total public support and revenues	1,005,051	79,738	-	1,084,789
Expenses:				
Contributions to Day Home	-	-	-	-
Program services	677,304	-	-	677,304
Supporting services	148,864	-	-	148,864
Total expenses	826,168	-	-	826,168
Change in net assets	\$ 178,883	\$ 79,738	\$ -	\$ 258,621

See accompanying notes.