

**SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2006**

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Carl A. Davis & Company
Certified Public Accountants
131 Indian Lake Road
Suite 210
Hendersonville, TN 37075

Phone: 615-822-0231

Fax: 615-822-2220

To the Board of Directors
Sumner County CASA, Inc.
Gallatin, TN 37066

We have compiled the accompanying statement of financial position of Sumner County CASA, Inc. (a nonprofit corporation) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Carl A. Davis & Company

Hendersonville, TN
October 4, 2006

Member

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

UNRESTRICTED NET ASSETS

Unrestricted Support

City of Gallatin	\$ 5,500
City of Hendersonville	1,500
City of Portland	1,000
Sumner County	1,000
Fund Raising and Special Events, Net of \$7,689 Direct Costs	23,469
Memorial Foundation	25,000
National CASA	10,000
Tennessee Children's Services Commission	15,000
Tennessee Bar Foundation	2,500
United Way of Sumner County	24,150
Contributions	28,425
Interest Income	756

Net assets released from restrictions

Restrictions satisfied by payments 1,834**TOTAL UNRESTRICTED SUPPORT** **140,134****EXPENSES**

Program services:

Financial assistance 99,980

Supporting services:

Management and general 19,277**TOTAL EXPENSES** **119,257****INCREASE IN UNRESTRICTED NET ASSETS** **20,877****TEMPORARILY RESTRICTED NET ASSETS**

Support

Tennessee CASA 1,866**INCREASE IN TEMPORARILY RESTRICTED
NET ASSETS** **1,866****INCREASE IN NET ASSETS** 22,743**NET ASSETS AT BEGINNING OF YEAR** **41,027****NET ASSETS AT END OF YEAR** **\$ 63,770**

See accountant's compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Program Services</u>	<u>Supporting Services</u> Management and <u>General</u>	<u>Fund- Raising</u>	<u>Total</u>
Salaries	\$ 71,980	\$ 8,098		\$ 80,078
Payroll Taxes	<u>5,172</u>	<u>577</u>		<u>5,749</u>
Total Salaries and Related Expenses	77,152	8,675		85,827
Accounting		500		500
Advertising	936			936
Bank Fees		83		83
Criminal Checks	557			557
Dues and Subscriptions	186	59		245
Insurance	541	180		721
License and Fees		352		352
Occupancy	10,018	3,340		13,358
Online	1,384			1,384
Postage	1,790	94		1,884
Printing	1,395	1,396		2,791
Repairs and Maintenance	668	223		891
Supplies	1,254	66		1,320
Telephone	2,998	158		3,156
Toy Chest Purchases		495		495
Training	635			635
Travel	133			133
Volunteer and Children Expenses	333	373		706
Volunteer Recognition	<u> </u>	<u>1,773</u>	<u> </u>	<u>1,773</u>
Total Expenses Before Depreciation	99,980	17,767		117,747
Depreciation of Furniture and Equipment	<u> </u>	<u>1,510</u>	<u> </u>	<u>1,510</u>
Total Expenses	<u>\$ 99,980</u>	<u>\$ 19,277</u>	<u>\$ 0</u>	<u>\$ 119,257</u>

See accountant's compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006

ASSETS

Current Assets

Cash	\$ 59,649
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Total Current Assets	<u>59,649</u>
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Property and Equipment

Equipment, Furniture and Fixtures	20,672
Less: Accumulated depreciation	<u>(15,656)</u>

Net Property and Equipment	<u>5,016</u>
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Total Assets	<u>\$ 64,665</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 895
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Total Current Liabilities	895
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Net Assets

Unrestricted	61,904
Temporarily Restricted	<u>1,866</u>

Total Liabilities and Net Assets	<u>\$ 64,665</u>
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See accountant's compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

<u>Cash Flows From Operating Activities</u>	
Increase (Decrease) in Net Assets	\$ 22,743
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	1,510
Decrease in Prepaid Expenses	700
Increase in Accounts Payable	<u>895</u>
Cash Flows Provided By Operating Activities	<u>25,848</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of Fixed Assets	<u>(2,098)</u>
Cash Flows Used by Investing Activities	<u>(2,098)</u>
<u>Cash Flows from Financing Activities</u>	<u>-0-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,750
Beginning Cash and Cash Equivalents	<u>35,899</u>
Ending Cash and Cash Equivalents	<u>\$ 59,649</u>

See accountant's compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Sumner County CASA, Inc. trains and supervises volunteers who act as advocates for children involved in court proceedings primarily as a result of abuse and/or neglect.

The Board of Directors and management employees of the Organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Organization as effectively and efficiently as possible.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalent.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No.117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

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.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction, unless the restriction is met in the same reporting period as the contribution. 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. When restrictions are met in the same reporting period as the contribution, the contribution is classified as unrestricted support.

Advertising Costs

All advertising costs are expensed as incurred.

Donated Materials

The basis of valuation of donated materials received is fair value, which is determined by communication with the organization that donated the materials.

**SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(CONTINUED)**

Donated Services

During the year ended June 30, 2006, the value of contributed services meeting the requirement for recognition in the financial statements was not material, and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with their assistance programs.

NOTE B - FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE C - RENTAL AGREEMENT

The organization leases office space for \$812.50 per month under an annual agreement with the option to renew upon the expiration of the lease.