

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

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

June 30, 2007 and 2006

**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, 2007 and 2006, 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, 2007 and 2006, 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 5, 2007

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2007 and 2006

| | ASSETS | |
|---------------------------------------|----------------------------|----------------------------|
| | 2007 | 2006 |
| Current assets: | | |
| Cash and cash equivalents | \$ 77,995 | \$ 116,850 |
| Investments | 1,484,117 | 1,295,682 |
| Accounts and contributions receivable | 94,892 | 91,510 |
| Prepaid expenses | 10,677 | 12,418 |
| Total current assets | <u>1,667,681</u> | <u>1,516,460</u> |
| Property and equipment: | | |
| Land | 173,464 | 54,259 |
| Buildings | 458,741 | 458,741 |
| Equipment | 175,053 | 152,319 |
| | <u>807,258</u> | <u>665,319</u> |
| Less: accumulated depreciation | <u>(377,534)</u> | <u>(355,502)</u> |
| | <u>429,724</u> | <u>309,817</u> |
| Other assets: | | |
| Future interest in life income gift | <u>75,000</u> | <u>75,000</u> |
| Total assets | <u><u>\$ 2,172,405</u></u> | <u><u>\$ 1,901,277</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Accounts payable | \$ 1,644 | \$ 666 |
| Accrued expenses | <u>35,079</u> | <u>23,550</u> |
| Total liabilities | <u>36,723</u> | <u>24,216</u> |
| Net assets: | | |
| Board designated | 696,601 | 616,862 |
| Other unrestricted | <u>1,320,052</u> | <u>1,138,499</u> |
| Total unrestricted | <u>2,016,653</u> | <u>1,755,361</u> |
| Temporarily restricted | <u>119,029</u> | <u>121,700</u> |
| Total net assets | <u>2,135,682</u> | <u>1,877,061</u> |
| Total liabilities and net assets | <u><u>\$ 2,172,405</u></u> | <u><u>\$ 1,901,277</u></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 |
| | <u>209,853</u> | <u>44,029</u> | <u>253,882</u> |
| Total public support | | | |
| 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 |
| | <u>830,907</u> | <u>-</u> | <u>830,907</u> |
| Total revenues | | | |
| Net assets released from restrictions | 46,700 | (46,700) | - |
| | <u>1,087,460</u> | <u>(2,671)</u> | <u>1,084,789</u> |
| Total public support and revenues | | | |
| Expenses: | | | |
| Program services | 677,304 | - | 677,304 |
| Supporting services | 148,864 | - | 148,864 |
| | <u>826,168</u> | <u>-</u> | <u>826,168</u> |
| Total expenses | | | |
| Change in net assets | 261,292 | (2,671) | 258,621 |
| Net assets - beginning of year | 1,755,361 | 121,700 | 1,877,061 |
| 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 ACTIVITIES
For the year ended June 30, 2006

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------------------------|---------------------|
| Public support and revenues: | | | |
| Public support: | | | |
| Contributions | \$ 216,795 | \$ 46,700 | \$ 263,495 |
| Membership fund-raising activities | 57,309 | - | 57,309 |
| Total public support | <u>274,104</u> | <u>46,700</u> | <u>320,804</u> |
| Revenues: | | | |
| Grants | 146,315 | - | 146,315 |
| Day home fees | 295,183 | - | 295,183 |
| DHS food subsidies | 44,022 | - | 44,022 |
| Investment return, net | 77,612 | - | 77,612 |
| Other | 46,946 | - | 46,946 |
| Total revenues | <u>610,078</u> | <u>-</u> | <u>610,078</u> |
| Net assets released from restrictions | <u>49,560</u> | <u>(49,560)</u> | <u>-</u> |
| Total public support and revenues | <u>933,742</u> | <u>(2,860)</u> | <u>930,882</u> |
| Expenses: | | | |
| Program services | 615,941 | - | 615,941 |
| Supporting services | 158,816 | - | 158,816 |
| Total expenses | <u>774,757</u> | <u>-</u> | <u>774,757</u> |
| Change in net assets | 158,985 | (2,860) | 156,125 |
| Net assets - beginning of year | <u>1,596,376</u> | <u>124,560</u> | <u>1,720,936</u> |
| Net assets - end of year | <u>\$ 1,755,361</u> | <u>\$ 121,700</u> | <u>\$ 1,877,061</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 Expenses |
|-----------------------------------|---------------------|---------------------------|-------------------------------|-------------------|-------------------|
| | Day Home | Fundraising Activities | General and Administrative | Total | |
| 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 STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2006

| | Program Services | Supporting Services | | | Total Expenses |
|-----------------------------------|---------------------|---------------------------|-------------------------------|------------|-------------------|
| | Day Home | Fundraising Activities | General and Administrative | Total | |
| Salaries | \$ 360,433 | \$ 40,000 | \$ 40,684 | \$ 80,684 | \$ 441,117 |
| Groceries | 41,557 | - | - | - | 41,557 |
| Children's enrichment | 37,073 | - | - | - | 37,073 |
| Classroom expenses | 35,679 | - | - | - | 35,679 |
| Payroll taxes | 24,883 | 2,680 | 2,726 | 5,406 | 30,289 |
| Utilities | 21,680 | - | 4,000 | 4,000 | 25,680 |
| Repairs and maintenance | 20,178 | - | 4,580 | 4,580 | 24,758 |
| Legal and professional fees | - | - | 20,678 | 20,678 | 20,678 |
| Employee benefits | 17,681 | 1,463 | 1,488 | 2,951 | 20,632 |
| Insurance | 10,906 | - | 2,476 | 2,476 | 13,382 |
| Office supplies and expenses | - | - | 12,929 | 12,929 | 12,929 |
| Advertising and other fundraising | - | 9,176 | - | 9,176 | 9,176 |
| Printing | - | - | 9,111 | 9,111 | 9,111 |
| Auto expense | 7,187 | - | - | - | 7,187 |
| Miscellaneous | 3,803 | - | 3,166 | 3,166 | 6,969 |
| Security | 3,255 | - | 739 | 739 | 3,994 |
| Teacher and family education | 3,060 | - | - | - | 3,060 |
| Postage | - | - | 2,409 | 2,409 | 2,409 |
| Dues and subscriptions | 1,566 | - | - | - | 1,566 |
| Tuition reimbursement | - | - | 511 | 511 | 511 |
| | 588,941 | 53,319 | 105,497 | 158,816 | 747,757 |
| Depreciation | 27,000 | - | - | - | 27,000 |
| Total | \$ 615,941 | \$ 53,319 | \$ 105,497 | \$ 158,816 | \$ 774,757 |

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2007 and 2006

| | <u>2007</u> | <u>2006</u> |
|--|------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 258,621 | \$ 156,125 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Contribution of investments | (8,268) | (5,764) |
| Contribution of property and equipment | (4,271) | - |
| Depreciation | 22,032 | 27,000 |
| Realized and unrealized gain on investments, net | (144,858) | (57,762) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (3,382) | 4,681 |
| Prepaid expenses | 1,741 | 2,684 |
| Accounts payable | 978 | (11,623) |
| Accrued expenses | 11,529 | 4,126 |
| | <u>(124,499)</u> | <u>(36,658)</u> |
| Net cash provided by operating activities | <u>134,122</u> | <u>119,467</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 144,537 | 195,335 |
| Purchase of investments | (179,846) | (192,642) |
| Purchase of property and equipment | (137,668) | (50,489) |
| Net cash used in investing activities | <u>(172,977)</u> | <u>(47,796)</u> |
| Net (decrease) increase in cash and cash equivalents | (38,855) | 71,671 |
| Cash and cash equivalents - beginning of year | <u>116,850</u> | <u>45,179</u> |
| Cash and cash equivalents - end of year | <u>\$ 77,995</u> | <u>\$ 116,850</u> |
| Supplemental disclosure: | | |
| Contributed investments | <u>\$ 8,268</u> | <u>\$ 5,764</u> |
| Contributed property and equipment | <u>\$ 4,271</u> | <u>\$ -</u> |

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2007 and 2006

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, 2007 and 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Accounts and contributions receivable are reviewed periodically as to their collectibility. Based on collection experience and management's review, no allowance for doubtful accounts is considered necessary at June 30, 2007 and 2006.

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>2007</u> | <u>2006</u> |
|---|-------------------|-------------------|
| Future interest in life income gift | \$ 75,000 | \$ 75,000 |
| Operating resources in next fiscal year | <u>44,029</u> | <u>46,700</u> |
| | <u>\$ 119,029</u> | <u>\$ 121,700</u> |

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2007 and 2006

NOTE 3 – RESTRICTIONS ON NET ASSETS (Continued)

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

| | <u>2007</u> | <u>2006</u> |
|---------------------------------|-------------|-------------|
| Board designated endowment fund | \$ 696,601 | \$ 616,862 |

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, 2007 and 2006, the Organization received \$270,201 and \$270,261 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, 2007 and 2006, there was a subsidy receivable of \$50,614 and \$37,744, respectively.

NOTE 5 – INVESTMENTS

Investments at fair value, as of June 30, 2007 and 2006, are summarized as follows:

| | <u>2007</u> | <u>2006</u> |
|------------------------------|---------------------|---------------------|
| Corporate debt securities | \$ 87,678 | \$ 87,665 |
| Government backed securities | 52,579 | 49,235 |
| Equity funds | 1,264,086 | 974,013 |
| Certificates of deposit | <u>79,774</u> | <u>184,769</u> |
| | <u>\$ 1,484,117</u> | <u>\$ 1,295,682</u> |

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

| | <u>2007</u> | <u>2006</u> |
|-------------------------------|-------------------|------------------|
| Interest and dividends | \$ 18,752 | \$ 19,850 |
| Realized and unrealized gains | <u>144,858</u> | <u>57,762</u> |
| | <u>\$ 163,610</u> | <u>\$ 77,612</u> |

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2007 and 2006

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 provides 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 and 2006, has been recorded as a temporarily restricted net asset.

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, 2007 and 2006 was \$6,000.

NOTE 10 – FUNDRAISING

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

| | 2007 | | | 2006 | | |
|----------|-----------------------------|------------------------|-------------------|-----------------------------|------------------------|-------------------|
| | <u>Contributions</u> | <u>Expenses</u> | <u>Net</u> | <u>Contributions</u> | <u>Expenses</u> | <u>Net</u> |
| Caroling | \$ 55,202 | \$ 6,162 | \$49,040 | \$ 48,765 | \$ 7,670 | \$41,095 |
| Other | <u>9,552</u> | <u>1,253</u> | <u>8,299</u> | <u>8,544</u> | <u>1,506</u> | <u>7,038</u> |
| | <u>\$ 64,754</u> | <u>\$ 7,415</u> | <u>\$57,339</u> | <u>\$ 57,309</u> | <u>\$ 9,176</u> | <u>\$48,133</u> |

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2007 and 2006

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, 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 | <u>10,677</u> | <u>-</u> | <u>10,677</u> |
| 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 | <u>175,053</u> | <u>-</u> | <u>175,053</u> |
| | 807,258 | - | 807,258 |
| 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 | <u>252,307</u> | <u>1,575</u> | <u>-</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 | 85,447 | 78,163 | - | 163,610 |
| Other | 93,628 | - | - | 93,628 |
| Total revenues | <u>752,744</u> | <u>78,163</u> | <u>-</u> | <u>830,907</u> |
| Total public support and revenues | <u>1,005,051</u> | <u>79,738</u> | <u>-</u> | <u>1,084,789</u> |
| Expenses: | | | | |
| Contributions to Day Home | - | - | - | - |
| Program services | 677,304 | - | - | 677,304 |
| Supporting services | 148,864 | - | - | 148,864 |
| Total expenses | <u>826,168</u> | <u>-</u> | <u>-</u> | <u>826,168</u> |
| Change in net assets | <u>\$ 178,883</u> | <u>\$ 79,738</u> | <u>\$ -</u> | <u>\$ 258,621</u> |

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2006

ASSETS

| | <u>Organization</u> | <u>Endowment</u> | <u>Consolidated</u> |
|-------------------------------------|---------------------|-------------------|---------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 100,968 | \$ 15,882 | \$ 116,850 |
| Investments | 694,702 | 600,980 | 1,295,682 |
| Accounts receivable | 91,510 | - | 91,510 |
| Prepaid expenses | 12,418 | - | 12,418 |
| | <u>899,598</u> | <u>616,862</u> | <u>1,516,460</u> |
| Property and equipment: | | | |
| Land | 54,259 | - | 54,259 |
| Buildings | 458,741 | - | 458,741 |
| Equipment | 152,319 | - | 152,319 |
| | <u>665,319</u> | <u>-</u> | <u>665,319</u> |
| Less: accumulated depreciation | <u>(355,502)</u> | <u>-</u> | <u>(355,502)</u> |
| | <u>309,817</u> | <u>-</u> | <u>309,817</u> |
| Other assets: | | | |
| Future interest in life income gift | <u>75,000</u> | <u>-</u> | <u>75,000</u> |
| Total assets | <u>\$ 1,284,415</u> | <u>\$ 616,862</u> | <u>\$ 1,901,277</u> |

LIABILITIES AND NET ASSETS

| | | | |
|----------------------------------|---------------------|-------------------|---------------------|
| Liabilities: | | | |
| Accounts payable | \$ 666 | \$ - | \$ 666 |
| Accrued expenses | 23,550 | - | 23,550 |
| Total liabilities | <u>24,216</u> | <u>-</u> | <u>24,216</u> |
| Net assets: | | | |
| Board designated | - | 616,862 | 616,862 |
| Other unrestricted | 1,138,499 | - | 1,138,499 |
| Total unrestricted | <u>1,138,499</u> | <u>616,862</u> | <u>1,755,361</u> |
| Temporarily restricted | <u>121,700</u> | <u>-</u> | <u>121,700</u> |
| Total net assets | <u>1,260,199</u> | <u>616,862</u> | <u>1,877,061</u> |
| Total liabilities and net assets | <u>\$ 1,284,415</u> | <u>\$ 616,862</u> | <u>\$ 1,901,277</u> |

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

| | <u>Organization</u> | <u>Endowment</u> | <u>Consolidating Entries</u> | <u>Consolidated</u> |
|------------------------------------|---------------------|------------------|----------------------------------|---------------------|
| Public support and revenues: | | | | |
| Public support: | | | | |
| Contributions | \$ 257,731 | \$ 5,764 | \$ - | \$ 263,495 |
| Membership fund-raising activities | 57,309 | - | - | 57,309 |
| Total public support | <u>315,040</u> | <u>5,764</u> | <u>-</u> | <u>320,804</u> |
| Revenues: | | | | |
| Contributions from Endowment | 18,713 | - | (18,713) | - |
| Grants | 146,315 | - | - | 146,315 |
| Day home fees | 295,183 | - | - | 295,183 |
| DHS food subsidies | 44,022 | - | - | 44,022 |
| Investment return, net | 37,131 | 40,481 | - | 77,612 |
| Other | 46,946 | - | - | 46,946 |
| Total revenues | <u>588,310</u> | <u>40,481</u> | <u>(18,713)</u> | <u>610,078</u> |
| Total public support and revenues | <u>903,350</u> | <u>46,245</u> | <u>(18,713)</u> | <u>930,882</u> |
| Expenses: | | | | |
| Contributions to Day Home | - | 18,713 | (18,713) | - |
| Program services | 615,941 | - | - | 615,941 |
| Supporting services | 158,816 | - | - | 158,816 |
| Total expenses | <u>774,757</u> | <u>18,713</u> | <u>(18,713)</u> | <u>774,757</u> |
| Change in net assets | <u>\$ 128,593</u> | <u>\$ 27,532</u> | <u>\$ -</u> | <u>\$ 156,125</u> |

See accompanying notes.