

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

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

June 30, 2005 and 2004

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INDEPENDENT AUDITOR'S REPORT

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

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, 2005 and 2004, 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, 2005 and 2004, 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 12 through 15 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

October 6, 2005

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2005 and 2004

ASSETS		2005	2004
Current assets:			
Cash and cash equivalents	\$	45,179	\$ 210,934
Investments		1,234,849	984,871
Accounts receivable		96,191	82,981
Prepaid expenses		15,102	4,733
		<u>1,391,321</u>	<u>1,283,519</u>
Property and equipment:			
Land		54,259	54,259
Buildings		434,039	434,039
Equipment		126,532	126,532
		<u>614,830</u>	<u>614,830</u>
Less: accumulated depreciation		<u>(328,502)</u>	<u>(301,502)</u>
		<u>286,328</u>	<u>313,328</u>
Other assets:			
Future interest in life income gift		<u>75,000</u>	<u>75,000</u>
		<u>\$ 1,752,649</u>	<u>\$ 1,671,847</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	\$	12,289	\$ 9,245
Accrued expenses		19,424	21,389
		<u>31,713</u>	<u>30,634</u>
Net assets:			
Board designated		589,330	564,244
Other unrestricted		1,007,046	957,324
		<u>1,596,376</u>	<u>1,521,568</u>
Temporarily restricted		<u>124,560</u>	<u>119,645</u>
		<u>1,720,936</u>	<u>1,641,213</u>
Total liabilities and net assets	\$	<u>\$ 1,752,649</u>	<u>\$ 1,671,847</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Contributions	\$ 90,478	\$ 47,752	\$ 138,230
Membership fund-raising activities	56,035	-	56,035
	<u>146,513</u>	<u>47,752</u>	<u>194,265</u>
Total public support			
Revenues:			
Grants	65,180	-	65,180
Day home fees	263,520	-	263,520
DHS food subsidies	37,107	-	37,107
Investment return, net	78,662	-	78,662
Other	35,848	-	35,848
	<u>480,317</u>	<u>-</u>	<u>480,317</u>
Total revenues			
Net assets released from restrictions	42,837	(42,837)	-
	<u>669,667</u>	<u>4,915</u>	<u>674,582</u>
Total public support and revenues			
Expenses:			
Program services	441,415	-	441,415
Supporting services	153,444	-	153,444
	<u>594,859</u>	<u>-</u>	<u>594,859</u>
Total expenses			
Change in net assets	74,808	4,915	79,723
Net assets - beginning of year	1,521,568	119,645	1,641,213
Net assets - end of year	<u>\$ 1,596,376</u>	<u>\$ 124,560</u>	<u>\$ 1,720,936</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Contributions	\$ 67,247	\$ 44,645	\$ 111,892
Membership fund-raising activities	40,490	-	40,490
	<u>107,737</u>	<u>44,645</u>	<u>152,382</u>
Total public support			
Revenues:			
Day home fees	230,195	-	230,195
DHS food subsidies	32,391	-	32,391
Investment return, net	114,035	-	114,035
Other	59,843	-	59,843
	<u>436,464</u>	<u>-</u>	<u>436,464</u>
Total revenues			
Net assets released from restrictions	3,850	(3,850)	-
	<u>548,051</u>	<u>40,795</u>	<u>588,846</u>
Total public support and revenues			
Expenses:			
Program services	381,309	-	381,309
Supporting services	117,659	-	117,659
	<u>498,968</u>	<u>-</u>	<u>498,968</u>
Total expenses			
Change in net assets	49,083	40,795	89,878
Net assets - beginning of year	1,472,485	78,850	1,551,335
Net assets - end of year	<u>\$ 1,521,568</u>	<u>\$ 119,645</u>	<u>\$ 1,641,213</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2005

	Program Services	Supporting Services			Total	Total Expenses
	Day Home	Fundraising Activities	General and Administrative			
Salaries	\$ 248,351	\$ 40,000	\$ 29,713	\$	69,713	\$ 318,064
Legal and professional fees	-	-	41,664		41,664	41,664
Groceries	37,535	-	-		-	37,535
Employee benefits	20,156	2,129	1,582		3,711	23,867
Repairs and maintenance	19,307	-	2,972		2,972	22,279
Utilities	17,843	-	3,972		3,972	21,815
Payroll taxes	15,895	2,989	2,220		5,209	21,104
Children's enrichment	19,448	-	-		-	19,448
Insurance	11,094	-	3,111		3,111	14,205
Classroom expenses	12,254	-	-		-	12,254
Office supplies and expenses	-	2,128	6,048		8,176	8,176
Printing	-	3,663	2,002		5,665	5,665
Miscellaneous	2,895	-	918		918	3,813
Auto expense	3,355	-	-		-	3,355
Teacher and family education	2,260	-	930		930	3,190
Advertising	-	2,905	-		2,905	2,905
Dues and subscriptions	2,288	-	-		-	2,288
Security	1,734	-	486		486	2,220
Tuition reimbursement	-	-	2,057		2,057	2,057
Postage	-	350	1,605		1,955	1,955
	414,415	54,164	99,280		153,444	567,859
Depreciation	27,000	-	-		-	27,000
Total	\$ 441,415	\$ 54,164	\$ 99,280	\$	153,444	\$ 594,859

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2004

	Program Services	Supporting Services			Total	Total Expenses
	Day Home	Fundraising Activities	General and Administrative		Total	
Salaries	\$ 231,721	\$ 24,214	\$ 30,645	\$ 54,859	\$ 54,859	\$ 286,580
Groceries	28,327	-	-	-	-	28,327
Payroll taxes	16,357	1,852	2,344	4,196	4,196	20,553
Utilities	16,112	-	3,025	3,025	3,025	19,137
Employee benefits	15,422	1,220	2,260	3,480	3,480	18,902
Repairs and maintenance	13,213	-	3,119	3,119	3,119	16,332
Casualty	-	-	16,154	16,154	16,154	16,154
Insurance	9,797	-	2,313	2,313	2,313	12,110
Children's entertainment	9,627	-	-	-	-	9,627
Accounting	-	-	8,165	8,165	8,165	8,165
Office supplies and expenses	1,556	306	5,663	5,969	5,969	7,525
Advertising	-	7,187	-	7,187	7,187	7,187
Miscellaneous	799	2,203	323	2,526	2,526	3,325
Dues and subscriptions	3,280	-	-	-	-	3,280
Printing	-	381	2,741	3,122	3,122	3,122
Postage	-	972	1,988	2,960	2,960	2,960
Classroom expenses	2,767	-	-	-	-	2,767
Auto expense	1,923	-	-	-	-	1,923
Security	1,861	-	-	-	-	1,861
Teacher and family education	1,174	-	-	-	-	1,174
Tuition reimbursement	-	-	584	584	584	584
	<u>353,936</u>	<u>38,335</u>	<u>79,324</u>	<u>117,659</u>	<u>117,659</u>	<u>471,595</u>
Depreciation	<u>27,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,373</u>
Total	<u>\$ 381,309</u>	<u>\$ 38,335</u>	<u>\$ 79,324</u>	<u>\$ 117,659</u>	<u>\$ 117,659</u>	<u>\$ 498,968</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 79,723	\$ 89,878
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contribution of investments	(14,968)	-
Contribution of equipment	-	(4,298)
Depreciation	27,000	27,373
Realized and unrealized gain on investments, net	(58,599)	(93,373)
Changes in operating assets and liabilities:		
Accounts receivable	(13,210)	(64,927)
Prepaid expenses	(10,369)	(789)
Accounts payable	3,044	6,671
Accrued expenses	(1,965)	5,694
Total adjustments	<u>(69,067)</u>	<u>(123,649)</u>
Net cash provided by (used in) operating activities	<u>10,656</u>	<u>(33,771)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	457,047	168,001
Purchase of investments	(633,458)	(37,992)
Purchase of property and equipment	<u>-</u>	<u>(3,030)</u>
Net cash (used in) provided by investing activities	<u>(176,411)</u>	<u>126,979</u>
Net (decrease) increase in cash and cash equivalents	(165,755)	93,208
Cash and cash equivalents - beginning of year	<u>210,934</u>	<u>117,726</u>
Cash and cash equivalents - end of year	<u><u>\$ 45,179</u></u>	<u><u>\$ 210,934</u></u>
Supplemental disclosure:		
Contributed investments	<u><u>\$ 14,968</u></u>	<u><u>\$ -</u></u>
Contributed equipment	<u><u>\$ -</u></u>	<u><u>\$ 4,298</u></u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2005 and 2004

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. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted. 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.

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.

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.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2005 and 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash Equivalents

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

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>2005</u>	<u>2004</u>
Future interest in life income gift	\$ 75,000	\$ 75,000
Technology enhancements	1,808	5,275
Operating resources in fiscal 2006	37,091	39,370
Playground expenditures	<u>10,661</u>	<u>-</u>
	<u>\$ 124,560</u>	<u>\$ 119,645</u>

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

	<u>2005</u>	<u>2004</u>
Board designated endowment fund	<u>\$ 589,330</u>	<u>\$ 564,244</u>

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2005 and 2004

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, 2005 and 2004, the Organization received \$218,681 and \$185,368 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, 2005 and 2004, there was a subsidy receivable of \$22,683 and \$19,111, respectively.

NOTE 5 – INVESTMENTS

Investments at fair value, as of June 30, 2005 and 2004, are summarized as follows:

	<u>2005</u>	<u>2004</u>
Corporate bonds	\$ 57,333	\$ 54,132
Preferred securities	-	35,066
Government backed securities	52,325	44,770
Mutual funds	495,678	549,615
Certificates of deposit	176,000	-
Equities	<u>453,513</u>	<u>301,288</u>
	<u>\$ 1,234,849</u>	<u>\$ 984,871</u>

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

	<u>2005</u>	<u>2004</u>
Interest and dividends	\$ 20,063	\$ 20,662
Realized and unrealized gains	<u>58,599</u>	<u>93,373</u>
	<u>\$ 78,662</u>	<u>\$ 114,035</u>

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 40 years for buildings to three years for equipment. Expenditures for repairs and maintenance are charged to expense as incurred.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2005 and 2004

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, 2005 and 2004, 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 fund raising 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, 2005 and 2004 was \$6,023 and \$5,362, respectively.

NOTE 10 – FUNDRAISING

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

	2005			2004		
	<u>Contributions</u>	<u>Expenses</u>	<u>Net</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Net</u>
Caroling	\$ 37,896	\$ 5,416	\$32,480	\$ 29,909	\$ 6,648	\$23,261
Other	<u>18,139</u>	<u>2,596</u>	<u>15,543</u>	<u>10,581</u>	<u>3,285</u>	<u>7,296</u>
	<u>\$ 56,035</u>	<u>\$ 8,012</u>	<u>\$48,023</u>	<u>\$ 40,490</u>	<u>\$ 9,933</u>	<u>\$30,557</u>

NOTE 11 – ENDOWMENT FUND

The Fannie Battle Day Home Endowment Fund, Inc. (the "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, 2005

ASSETS

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidated</u>
Current assets:			
Cash	\$ 44,009	\$ 1,170	\$ 45,179
Investments	642,978	591,871	1,234,849
Accounts receivable	96,191	-	96,191
Prepaid expenses	15,102	-	15,102
	<u>798,280</u>	<u>593,041</u>	<u>1,391,321</u>
Property and equipment:			
Land	54,259	-	54,259
Buildings	434,039	-	434,039
Equipment	126,532	-	126,532
	<u>614,830</u>	<u>-</u>	<u>614,830</u>
Less: accumulated depreciation	<u>(328,502)</u>	<u>-</u>	<u>(328,502)</u>
	<u>286,328</u>	<u>-</u>	<u>286,328</u>
Other assets:			
Future interest in life income gift	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total assets	<u><u>\$ 1,159,608</u></u>	<u><u>\$ 593,041</u></u>	<u><u>\$ 1,752,649</u></u>

LIABILITIES AND NET ASSETS

Liabilities:			
Accounts payable	\$ 8,578	\$ 3,711	\$ 12,289
Accrued expenses	19,424	-	19,424
Total liabilities	<u>28,002</u>	<u>3,711</u>	<u>31,713</u>
Net assets:			
Board designated	-	589,330	589,330
Other unrestricted	1,007,046	-	1,007,046
Total unrestricted	<u>1,007,046</u>	<u>589,330</u>	<u>1,596,376</u>
Temporarily restricted	<u>124,560</u>	<u>-</u>	<u>124,560</u>
Total net assets	<u>1,131,606</u>	<u>589,330</u>	<u>1,720,936</u>
Total liabilities and net assets	<u><u>\$ 1,159,608</u></u>	<u><u>\$ 593,041</u></u>	<u><u>\$ 1,752,649</u></u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2005

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
Public support and revenues:				
Public support:				
Contributions	\$ 136,755	\$ 1,475	\$ -	\$ 138,230
Membership fund-raising activities	56,035	-	-	56,035
Total public support	<u>192,790</u>	<u>1,475</u>	<u>-</u>	<u>194,265</u>
Revenues:				
Contributions from Endowment	15,812	-	(15,812)	-
Grants	65,180	-	-	65,180
Day home fees	263,520	-	-	263,520
DHS food subsidies	37,107	-	-	37,107
Investment return, net	39,239	39,423	-	78,662
Other	35,848	-	-	35,848
Total revenues	<u>456,706</u>	<u>39,423</u>	<u>(15,812)</u>	<u>480,317</u>
Total public support and revenues	<u>649,496</u>	<u>40,898</u>	<u>(15,812)</u>	<u>674,582</u>
Expenses:				
Contributions to Day Home	-	15,812	(15,812)	-
Program services	441,415	-	-	441,415
Supporting services	153,444	-	-	153,444
Total expenses	<u>594,859</u>	<u>15,812</u>	<u>(15,812)</u>	<u>594,859</u>
Change in net assets	<u>\$ 54,637</u>	<u>\$ 25,086</u>	<u>\$ -</u>	<u>\$ 79,723</u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2004

ASSETS

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidated</u>
Current assets:			
Cash	\$ 70,219	\$ 140,715	\$ 210,934
Investments	561,342	423,529	984,871
Accounts receivable	82,981	-	82,981
Prepaid expenses	4,733	-	4,733
	<u>719,275</u>	<u>564,244</u>	<u>1,283,519</u>
Property and equipment:			
Land	54,259	-	54,259
Buildings	434,039	-	434,039
Equipment	126,532	-	126,532
	<u>614,830</u>	<u>-</u>	<u>614,830</u>
Less: accumulated depreciation	<u>(301,502)</u>	<u>-</u>	<u>(301,502)</u>
	<u>313,328</u>	<u>-</u>	<u>313,328</u>
Other assets:			
Future interest in life income gift	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total assets	<u><u>\$ 1,107,603</u></u>	<u><u>\$ 564,244</u></u>	<u><u>\$ 1,671,847</u></u>

LIABILITIES AND NET ASSETS

Liabilities:			
Accounts payable	\$ 9,245	\$ -	\$ 9,245
Accrued expenses	21,389	-	21,389
Total liabilities	<u>30,634</u>	<u>-</u>	<u>30,634</u>
Net assets:			
Board designated	-	564,244	564,244
Other unrestricted	957,324	-	957,324
Total unrestricted	<u>957,324</u>	<u>564,244</u>	<u>1,521,568</u>
Temporarily restricted	<u>119,645</u>	<u>-</u>	<u>119,645</u>
Total net assets	<u>1,076,969</u>	<u>564,244</u>	<u>1,641,213</u>
Total liabilities and net assets	<u><u>\$ 1,107,603</u></u>	<u><u>\$ 564,244</u></u>	<u><u>\$ 1,671,847</u></u>

See accompanying notes.

FANNIE BATTLE DAY HOME FOR CHILDREN, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

	<u>Organization</u>	<u>Endowment</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
Public support and revenues:				
Public support:				
Contributions	\$ 111,267	\$ 625	\$ -	\$ 111,892
Membership fund-raising activities	40,490	-	-	40,490
Total public support	<u>151,757</u>	<u>625</u>	<u>-</u>	<u>152,382</u>
Revenues:				
Contributions from Endowment	15,440	-	(15,440)	-
Day home fees	230,195	-	-	230,195
DHS food subsidies	32,391	-	-	32,391
Investment return, net	84,384	29,651	-	114,035
Other	59,843	-	-	59,843
Total revenues	<u>422,253</u>	<u>29,651</u>	<u>(15,440)</u>	<u>436,464</u>
Total public support and revenues	<u>574,010</u>	<u>30,276</u>	<u>(15,440)</u>	<u>588,846</u>
Expenses:				
Contributions to Day Home	-	15,440	(15,440)	-
Program services	381,309	-	-	381,309
Supporting services	117,659	-	-	117,659
Total expenses	<u>498,968</u>	<u>15,440</u>	<u>(15,440)</u>	<u>498,968</u>
Change in net assets	<u>\$ 75,042</u>	<u>\$ 14,836</u>	<u>\$ -</u>	<u>\$ 89,878</u>

See accompanying notes.