

EIGHTEENTH AVENUE FAMILY

ENRICHMENT CENTER

FINANCIAL STATEMENTS

AND

ACCOUNTANT'S REPORT

JUNE 30, 2008

EIGHTEENTH AVENUE FAMILY ENRICHMENT CENTER

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

JUNE 30, 2008

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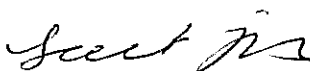
INDEPENDENT AUDITOR'S REPORT ON THE
BASIC FINANCIAL STATEMENTS

To the Board of Directors
Eighteenth Avenue Family Enrichment Center
Nashville, Tennessee

I have audited the accompanying statement of financial position of Eighteenth Avenue Family Enrichment Center (a not-for-profit organization) as of June 30, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eighteenth Avenue Family Enrichment Center as of June 30, 2008, and changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.



Larry F. Bishop, CPA

January 26, 2009

Eighteenth Avenue Family Enrichment Center
STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

Cash and equivalents	\$ 32,459.21
Accounts receivable	14,267.49
Property, furniture and equipment - at cost less accumulated depreciation	<u>74,596.51</u>
TOTAL ASSETS	<u>\$ 121,323.21</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Notes payable	\$ 25,000.00
Accounts payable	24,103.06
Accrued expenses	<u>145,738.37</u>
TOTAL LIABILITIES	<u>194,841.43</u>

NET ASSETS

Unrestricted (Deficit)	<u>(73,518.22)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 121,323.21</u>

See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF ACTIVITIES
For the Year ended June 30, 2008

OPERATING REVENUES AND SUPPORT

Public Support

Contributions	\$ 19,671.23
Funding, State of Tennessee	<u>307,714.86</u>

Total Public Support	<u>327,386.09</u>
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Operating Revenue

Program service revenue	110,263.40
Other Income	<u>14,772.90</u>

TOTAL OPERATING REVENUES AND SUPPORT	<u>452,422.39</u>
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EXPENSES

Program services	362,358.54
Supporting Services	
Management and general	<u>115,646.36</u>

TOTAL EXPENSES	<u>478,004.90</u>
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CHANGE IN NET ASSETS	(25,582.51)
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NET ASSETS - BEGINNING OF YEAR	(Deficit)	<u>(47,935.71)</u>
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NET ASSETS - END OF YEAR	(Deficit)	<u>\$ (73,518.22)</u>
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See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2008

OPERATING ACTIVITIES

Change in net assets	\$ (25,582.51)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,455.14
(Increase) Decrease in receivables	493.31
Increase (Decrease) in accrued expenses	31,626.51
Increase (Decrease) in Accounts Payable	<u>7,164.79</u>
 TOTAL ADJUSTMENTS	 <u>50,739.75</u>
 TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	 <u>25,157.24</u>

INVESTING ACTIVITIES

Purchase of equipment	<u>(799.93)</u>
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NET INCREASE IN CASH AND EQUIVALENTS	24,357.31
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CASH AND EQUIVALENTS BEGINNING OF YEAR	<u>8,101.90</u>
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CASH AND EQUIVALENTS END OF YEAR	<u>\$ 32,459.21</u>
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See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2008

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Salaries	\$ 201,229.54	\$ 94,635.00	\$ 295,864.54
Payroll taxes	16,082.00	7,560.73	23,642.73
Employee Benefits		112.24	112.24
TOTAL PAYROLL AND RELATED EXPENSES	217,311.54	102,307.97	319,619.51
Advertising & promotion	321.00	115.00	436.00
Dues & subscriptions		290.00	290.00
Bad debts, returned checks	1,292.00		1,292.00
Food costs	18,409.37		18,409.37
Children's field trips and activities	5,340.96		5,340.96
Outside services	15,827.41	2,793.00	18,620.41
Supplies	2,966.26		2,966.26
Accounting fees	9,065.00	184.63	9,249.63
Telephone	6,557.00	493.81	7,050.81
Equipment Expense	2,500.00	188.00	2,688.00
Occupancy	23,324.00	5,146.92	28,470.92
Interest	33,264.00	678.51	33,942.51
Insurance	15,393.00	1,692.67	17,085.67
Taxes and licenses	650.00	13.50	663.50
Miscellaneous		424.21	424.21
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	352,221.54	114,328.22	466,549.76
Depreciation	10,137.00	1,318.14	11,455.14
TOTAL FUNCTIONAL EXPENSES	\$ 362,358.54	\$ 115,646.36	\$ 478,004.90

See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Eighteenth Avenue Family Enrichment Center is a Tennessee not-for-profit corporation which provides before and after school care for children of low income families.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking and savings account balances with financial institutions.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Eighteenth Avenue Family Enrichment Center had no permanently restricted assets at June 30, 2008.

Temporarily Restricted Net Assets

Promises to give in the future are recognized as temporarily restricted net assets and revenues in the period promised if the promise is unconditional or the possibility that a condition will not be met is remote.

Eighteenth Avenue Family Enrichment Center
NOTES TO FINANCIAL STATEMENTS
(Continued)
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Temporarily Restricted Net Assets (Continued)

Eighteenth Avenue Family Enrichment Center had no temporarily restricted assets at June 30, 2008.

Income Taxes

Eighteenth Avenue Family Enrichment Center is exempt from federal income taxes under Section 501 © 3 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Property

Property and equipment purchases are capitalized and stated at acquisition cost, or at estimated fair market value at the time of the gift if donated. Depreciation is calculated by the straight-line method over an estimated useful life of five years.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - consist of child care facilities which provide before and after school child care.

Management and General- includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes cost associated with providing coordination and a Eighteenth Avenue Family Enrichment Center Enrichment Center program strategy, business management, fund-raising, general record keeping, budgeting, and related purposes.

Eighteenth Avenue Family Enrichment Center
NOTES TO FINANCIAL STATEMENTS
(Continued)
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.