

EIGHTEENTH AVENUE FAMILY

ENRICHMENT CENTER

FINANCIAL STATEMENTS

AND

ACCOUNTANT'S REPORT

JUNE 30, 2007

**EIGHTEENTH AVENUE FAMILY ENRICHMENT CENTER**

**NASHVILLE, TENNESSEE**

**FINANCIAL STATEMENTS**

**AND**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

**JUNE 30, 2007**

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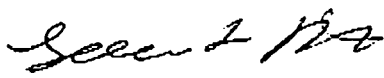
INDEPENDENT AUDITOR'S REPORT ON THE  
BASIC FINANCIAL STATEMENTS

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, 2007, 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, 2007, 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 6, 2007

**Eighteenth Avenue Family Enrichment Center**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2007**

**ASSETS**

Cash and equivalents	\$ 8,101.90
Accounts receivable	14,760.80
Property, furniture and equipment - at cost less accumulated depreciation	<u>85,251.72</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 108,114.42</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>	
Notes payable	\$ 24,320.55
Accounts Payable	17,617.72
Accrued expenses	<u>114,111.86</u>
<b>TOTAL LIABILITIES</b>	<b><u>156,050.13</u></b>

<b>NET ASSETS</b>	
Unrestricted (Deficit)	<u>\$ (47,935.71)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 108,114.42</u></b>

The accompanying notes are an integral part of the financial statement.

**Eighteenth Avenue Family Enrichment Center**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2007**

**OPERATING REVENUES AND SUPPORT**

**Public Support**

Contributions	\$ 30,047.13
Child Care Income, State of Tennessee	<u>273,154.10</u>

<b>Total Public Support</b>	<b>303,201.23</b>
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**Operating Revenue**

Program service revenue	116,601.92
Other Income	<u>44,917.59</u>

<b>TOTAL OPERATING REVENUES AND SUPPORT</b>	<b><u>464,720.74</u></b>
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**EXPENSES**

Program services	384,722.00
Supporting Services	
Management and general	<u>112,712.62</u>

<b>TOTAL EXPENSES</b>	<b><u>497,434.62</u></b>
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<b>CHANGE IN NET ASSETS</b>	<b>(32,713.88)</b>
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<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>(Deficit)</b>	<b><u>(15,221.83)</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b>(Deficit)</b>	<b><u>\$ (47,935.71)</u></b>

The accompanying notes are an integral part of the financial statement

**Eighteenth Avenue Family Enrichment Center**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**OPERATING ACTIVITIES**

Change in net assets	<u>\$ (32,713.88)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,161.50
(Increase) Decrease in receivables	(210.20)
Increase (Decrease) in accrued expenses	34,319.01
Increase (Decrease) in Accounts Payable	<u>(8,339.54)</u>
 TOTAL ADJUSTMENTS	 <u>38,930.77</u>
 TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	 <u>6,216.89</u>

NET INCREASE IN CASH AND EQUIVALENTS	6,216.89
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CASH AND EQUIVALENTS BEGINNING OF YEAR	<u>1,885.01</u>
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CASH AND EQUIVALENTS END OF YEAR	<u>\$ 8,101.90</u>
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The accompanying notes are an integral part of the financial statement

**Eighteenth Avenue Family Enrichment Center**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Salaries	\$ 219,922.00	\$ 94,696.00	314,618.00
Payroll taxes	18,299.00	7,881.00	26,180.00
Employee Benefits	745.00	322.00	1,067.00
<b>TOTAL PAYROLL AND RELATED EXPENSES</b>	<b>238,966.00</b>	<b>102,899.00</b>	<b>341,865.00</b>
Advertising & promotion		1,008.00	1,008.00
Dues & subscriptions		355.00	355.00
Bad debts, returned checks	611.00		611.00
Food costs	17,872.00		17,872.00
Children's field trips and activities	3,101.00		3,101.00
Outside services	12,009.00	2,119.00	14,128.00
Supplies	2,101.00		2,101.00
Accounting fees	6,856.00	140.00	6,996.00
Telephone	5,667.00	427.00	6,094.00
Equipment Expense	16,278.00	2,679.00	18,957.00
Occupancy	14,468.00	255.00	14,723.00
Interest	2,367.00	48.00	2,415.00
Insurance	15,118.00	308.00	15,426.00
Vehicle expense	487.00		487.00
Taxes and licenses	412.00	38.00	450.00
Office expense	12,136.00	793.00	12,929.00
Building Plans	23,343.00		23,343.00
Miscellaneous	1,245.00	166.62	1,411.62
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>373,037.00</b>	<b>111,235.62</b>	<b>484,272.62</b>
Depreciation	11,685.00	1,477.00	13,162.00
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 384,722.00</b>	<b>\$ 112,712.62</b>	<b>\$ 497,434.62</b>

The accompanying notes are an integral part of the financial statement

**Eighteenth Avenue Family Enrichment Center**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2007**

**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, 2007.

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 articulation for Eighteenth Avenue Family 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, 2007**

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.