

**EIGHTEENTH AVENUE FAMILY
ENRICHMENT CENTER
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REPORT
JUNE 30, 2009**

EIGHTEENTH AVENUE FAMILY ENRICHMENT CENTER

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

JUNE 30, 2009

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INDEPENDENT ACCOUNTANT'S REPORT
ON THE BASIC FINANCIAL STATEMENTS

Board of Directors
Eighteenth Avenue Family Enrichment Center
Nashville, Tennessee

I have reviewed the accompanying statement of financial position of Eighteenth Avenue Family Enrichment Center as of June 30, 2009, 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. All information included in these financial statements is the representation of the management of Eighteenth Avenue Family Enrichment Center.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.



Larry F. Bishop, CPA

March 15, 2010

Eighteenth Avenue Family Enrichment Center
STATEMENT OF FINANCIAL POSITION
June 30, 2009

ASSETS

Cash and equivalents	\$ 28,668.68
Accounts receivable	14,211.14
Property, furniture and equipment - at cost less accumulated depreciation	<u>84,190.18</u>
TOTAL ASSETS	<u>\$ 127,070.00</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Notes payable	\$ 51,823.39
Accrued expenses	<u>145,238.37</u>
TOTAL LIABILITIES	<u>197,061.76</u>

NET ASSETS

Unrestricted (Deficit)	<u>(69,991.76)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 127,070.00</u>

See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF ACTIVITIES
For the Year ended
June 30, 2009

OPERATING REVENUES AND SUPPORT

Public Support

Contributions	\$ 17,166.93
Funding, State of Tennessee	278,986.32
United Way	85,853.67
Total Public Support	<u>382,006.92</u>

Operating Revenue

Program service revenue	86,114.05
Other Income	17,023.82

TOTAL OPERATING REVENUES AND SUPPORT

485,144.79

EXPENSES

Program services	344,946.00
Supporting Services	
Management and general	<u>136,672.33</u>

TOTAL EXPENSES

481,618.33

CHANGE IN NET ASSETS

3,526.46

NET ASSETS - BEGINNING OF YEAR (Deficit)

(73,518.22)

NET ASSETS - END OF YEAR (Deficit)

\$ (69,991.76)

See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF CASH FLOWS
For the Year ended
June 30, 2009

OPERATING ACTIVITIES

Change in net assets	<u>\$ 3,526.46</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,354.90
(Increase) Decrease in receivables	56.35
Increase (Decrease) in accrued expenses	(500.00)
Increase (Decrease) in Accounts Payable	<u>(24,103.06)</u>
 TOTAL ADJUSTMENTS	 <u>(13,191.81)</u>
 TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	 <u>(9,665.35)</u>

INVESTING ACTIVITIES

Purchase of equipment	<u>(20,948.57)</u>
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FINANCING ACTIVITIES

Net Proceeds from borrowing	<u>26,823.39</u>
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NET DECREASE IN CASH AND EQUIVALENTS	(3,790.53)
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CASH AND EQUIVALENTS BEGINNING OF YEAR	<u>32,459.21</u>
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CASH AND EQUIVALENTS END OF YEAR	<u>\$ 28,668.68</u>
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See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
STATEMENT OF FUNCTIONAL EXPENSES
For the Year ended
June 30, 2009

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Salaries	\$ 195,058.00	\$ 114,268.05	\$ 309,326.05
Payroll taxes	16,148.00	9,464.20	25,612.20
TOTAL PAYROLL AND RELATED EXPENSES	211,206.00	123,732.25	334,938.25
Advertising & promotion	15.00	5.00	20.00
Dues & subscriptions	0.00	440.00	440.00
Bad debts, returned checks	0.00	1,225.00	1,225.00
Food costs	18,257.93	0.00	18,257.93
Children's field trips and activities	4,678.00	0.00	4,678.00
Outside services	13,739.00	2,425.10	16,164.10
Supplies	4,359.00	379.00	4,738.00
Accounting fees	13,644.00	278.78	13,922.78
Telephone	9,167.00	420.49	9,587.49
Equipment Expense	8,151.00	296.00	8,447.00
Occupancy	11,277.00	1,990.00	13,267.00
Interest	4,295.00	87.21	4,382.21
Insurance	15,326.00	317.00	15,643.00
Taxes and licenses	0.00	793.80	793.80
Miscellaneous	20,679.07	3,079.80	23,758.87
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	334,794.00	135,469.43	470,263.43
Depreciation	10,152.00	1,202.90	11,354.90
TOTAL FUNCTIONAL EXPENSES	\$ 344,946.00	\$ 136,672.33	\$ 481,618.33

See accompanying notes and Accountant's report

Eighteenth Avenue Family Enrichment Center
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009.

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, 2009

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, 2009.

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, 2009

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.