

**SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2005**

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To the Board of Directors
Sumner County CASA, Inc.
Gallatin, TN 37066

We have compiled the accompanying statement of financial position of Sumner County CASA, Inc. (a nonprofit corporation) as of June 30, 2005, 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.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Carl A. Davis & Company

Hendersonville, TN
August 4, 2005

Member

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2005

ASSETS

Current Assets

Cash	\$35,899
Prepaid Expenses	<u>700</u>

Total Current Assets	<u>36,599</u>
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Property and Equipment

Equipment, Furniture and Fixtures	18,574
Less: Accumulated depreciation	<u>(14,146)</u>

Net Property and Equipment	<u>4,428</u>
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Total Assets	<u><u>\$41,027</u></u>
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LIABILITIES AND NET ASSETS

<u>Total Liabilities</u>	\$ 0
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Net Assets

Unrestricted	41,027
Temporarily Restricted	<u>0</u>

Total Liabilities and Net Assets	<u><u>\$41,027</u></u>
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See accountants compilation report and notes to financial statements.

**SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

UNRESTRICTED NET ASSETS

Unrestricted Support

Tennessee Childrens' Services Commission	\$ 15,000
Tennessee Bar Foundation	2,500
The Memorial Foundation	25,000
City of Gallatin	5,500
Fund Raising and Special Events, Net of \$8,585 Direct Costs	16,321
United Way	23,550
Contributions	30,262
Interest Income	321

Net assets released from restrictions

Restrictions satisfied by payments 5,183

TOTAL UNRESTRICTED SUPPORT 123,637

EXPENSES

Program services:

Financial assistance 96,187

Supporting services:

Management and general 17,009

TOTAL EXPENSES 113,196

INCREASE IN UNRESTRICTED NET ASSETS 10,441

TEMPORARILY RESTRICTED NET ASSETS

Net assets released from restrictions

Restrictions satisfied by payments (5,183)

**DECREASE IN TEMPORARILY RESTRICTED
NET ASSETS (5,183)**

INCREASE IN NET ASSETS 5,258

NET ASSETS AT BEGINNING OF YEAR 35,769

NET ASSETS AT END OF YEAR \$ 41,027

See accountants compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Salaries	\$ 68,984	\$ 7,665		\$ 76,649
Payroll Taxes	<u>5,231</u>	<u>581</u>		<u>5,812</u>
Total Salaries and Related Expenses	74,215	8,246		82,461
Accounting		450		450
Advertising	825			825
Dues and Subscriptions	379	126		505
Insurance	1,547	516		2,063
License and Fees		119		119
Office	1,754	112		1,866
Postage	1,072	68		1,140
Printing	1,328	1,328		2,656
Rent	6,750	2,250		9,000
Repairs and Maintenance	1,412	470		1,882
Telephone	3,201	204		3,405
Training	2,363			2,363
Utilities	1,341	447		1,788
Volunteer Recognition	<u> </u>	<u>1,631</u>	<u> </u>	<u>1,631</u>
Total Expenses Before Depreciation	96,187	15,967		112,154
Depreciation of Furniture and Equipment	<u> </u>	<u>1,042</u>	<u> </u>	<u>1,042</u>
Total Expenses	<u>\$ 96,187</u>	<u>\$ 17,009</u>	<u>\$ 0</u>	<u>\$113,196</u>

See accountants compilation report and notes to financial statements.

**SUMNER COUNTY CASA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Cash Flows From Operating Activities</u>	
Increase (Decrease) in Net Assets	\$ 5,258
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation	<u>1,042</u>
Cash Flows Provided By Operating Activities	<u>6,300</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of Fixed Assets	<u>3,255</u>
Cash Flow Used by Investing Activities	<u>3,255</u>
<u>Cash Flows from Financing Activities</u>	<u>-0-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,045
Beginning Cash and Cash Equivalents	<u>32,854</u>
Ending Cash and Cash Equivalents	<u>\$ 35,899</u>

See accountants compilation report and notes to financial statements.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Sumner County CASA, Inc. trains and supervises volunteers who act as advocates for children involved in court proceedings primarily as a result of abuse and/or neglect.

The Board of Directors and management employees of the Organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Organization as effectively and efficiently as possible.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalent.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No.117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

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

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction, unless the restriction is met in the same reporting period as the contribution. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. When restrictions are met in the same reporting period as the contribution, the contribution is classified as unrestricted support.

Advertising Costs

All advertising costs are expensed as incurred.

Donated Materials

The basis of valuation of donated materials received is fair value, which is determined by communication with the organization that donated the materials.

SUMNER COUNTY CASA, INC.
COMPILED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(CONTINUED)

Donated Services

During the year ended June 30, 2005, the value of contributed services meeting the requirement for recognition in the financial statements was not material, and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with their assistance programs.

NOTE B - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE C - RENTAL AGREEMENT

The organization leases office space for \$750 per month under an annual agreement with the option to renew upon the expiration of the lease.