

**TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2006**

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BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tennessee Immigrant and Refugee Rights Coalition

We have audited the accompanying statement of financial position of Tennessee Immigrant and Refugee Rights Coalition (a Tennessee not-for-profit corporation, the "Organization") as of December 31, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Tennessee Immigrant and Refugee Rights Coalition, as of December 31, 2006, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Blankenship CPA Group, PLLC

August 30, 2007

TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006

ASSETS

Current assets:	
Cash	\$ 162,421
Grants receivable	62,385
Other receivables	2,229
Employee loan receivable	<u>1,200</u>
Total current assets	228,235
Software and equipment, net	<u>20,619</u>
Total assets	<u><u>\$ 248,854</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued leave	\$ 10,774
Accrued payroll	<u>9,151</u>
Total current liabilities	<u>19,925</u>
Net assets:	
Unrestricted net assets	200,429
Temporarily restricted net assets	<u>28,500</u>
Total net assets	<u>228,929</u>
Total liabilities and net assets	<u><u>\$ 248,854</u></u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	Unrestricted	Temporarily Restricted	Total
Revenue and other support:			
Grants	\$ 402,475	\$ 50,000	\$ 452,475
Contributions	14,104	-	14,104
Earned revenues	8,134	-	8,134
Net assets released from restrictions	<u>21,500</u>	<u>(21,500)</u>	<u>-</u>
Total revenue and other support	<u>446,213</u>	<u>28,500</u>	<u>474,713</u>
Expenses:			
Program services:			
Evaluation and education	<u>296,425</u>	<u>-</u>	<u>296,425</u>
Supporting services:			
Administrative	102,654	-	102,654
Fundraising	<u>21,392</u>	<u>-</u>	<u>21,392</u>
Total supporting services	<u>124,046</u>	<u>-</u>	<u>124,046</u>
Total expenses	<u>420,471</u>	<u>-</u>	<u>420,471</u>
Increase in net assets	25,742	28,500	54,242
Net assets, beginning of year	<u>174,687</u>	<u>-</u>	<u>174,687</u>
Net assets, end of year	<u>\$ 200,429</u>	<u>\$ 28,500</u>	<u>\$ 228,929</u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2006

		<u>Supporting Services</u>		
	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 160,061	\$ 59,936	\$ 15,641	\$ 235,638
Travel and events	66,954	6,227	1,078	74,259
Non-personnel expense	25,221	15,869	1,374	42,464
Other personnel	16,481	14,080	1,156	31,717
Miscellaneous	8,573	3,341	365	12,279
Occupancy expense	8,294	2,104	1,285	11,683
Grant and contract expense	6,500	-	-	6,500
Depreciation	2,741	1,007	282	4,030
Business expense	1,600	90	211	1,901
	<u>\$ 296,425</u>	<u>\$ 102,654</u>	<u>\$ 21,392</u>	<u>\$ 420,471</u>

The accompanying notes are an integral part of these financial statements.

**TN IMMIGRANT REFUGEE RIGHTS COALITION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006**

Cash flows from operating activities:	
Increase in net assets	\$ 54,242
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	4,030
Increase in grants receivable	(33,201)
Increase in other receivables	(2,229)
Increase in employee loan receivable	(1,200)
Increase in accrued expenses	<u>8,090</u>
Net cash provided by operating activities	<u>29,732</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(21,710)</u>
Net cash used by investing activities	<u>(21,710)</u>
Net increase in cash	8,022
Cash, beginning of year	<u>154,399</u>
Cash, end of year	<u><u>\$ 162,421</u></u>

The accompanying notes are an integral part of these financial statements.

**TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Tennessee Immigrant and Refugee Rights Coalition (the "Organization") is incorporated as a Tennessee not-for-profit corporation. The Organization's mission is to empower immigrants and refugees throughout Tennessee to develop a unified voice, defend their rights, and create an atmosphere in which they are viewed as positive contributors to the state. The Organization's primary source of revenue is grants from various foundations and trusts.

Basis of Accounting

The financial statements of Tennessee Immigrant and Refugee Rights Coalition have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Contributions

Unconditional promises to give are recorded when received. Conditional promises to give are recorded as revenues only after all conditions stipulated by the grant agreement have been met by the Organization. Unconditional promises to give and conditional promises to give, for which all conditions have been met, due in the next year are reflected as current grant receivables and are recorded at their net realizable value.

Grants and other contributions of cash and other assets are recorded as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Contributions received with donor imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The majority of contributions are unrestricted or meet the donor imposed stipulations within the same year.

During the year ended December 31, 2006 one contributor constituted 23% and another constituted 17% of total revenue.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all investments with original maturities of three months or less as cash equivalents. Cash and cash equivalents during the year may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits.

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 can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

Equipment and Software

Equipment and software are capitalized at cost. It is the Organization's policy to capitalize expenditures for equipment in excess of \$500 and to capitalize all software costs. Equipment is depreciated over estimated useful lives of three to seven years using a straight-line or 200% double declining balance method with depreciation being recognized on a monthly basis. Software is depreciated over three years using the straight-line method

NOTE 2 - GRANTS RECEIVABLE

Unconditional promises to give and conditional promises to give for which all conditions have been met at December 31, 2006 are all receivable in less than one year. As such, they are shown at their net realizable value. The Organization believes all promises to give to be collectible; therefore no allowance has been made.

NOTE 3 - SOFTWARE AND EQUIPMENT

The following is a summary of software and equipment:

Software	\$ 1,541
Equipment	<u>24,702</u>
	26,243
Less accumulated depreciation	<u>(5,624)</u>
Net software and equipment	<u>\$ 20,619</u>

Depreciation expense for the year ended December 31, 2006 was \$4,030.

NOTE 4 - RESTRICTIONS ON NET ASSETS

The temporary restrictions on net assets at December 31, 2006 are as follows:

Immediate needs	\$ 15,000
Strategic planning	<u>13,500</u>
	<u>\$ 28,500</u>

There were no permanently restricted net assets as of December 31, 2006.

**TENNESSEE IMMIGRANT AND REFUGEE RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2006**

NOTE 5 - LEASES

In January 2006, the Organization became obligated under a real property lease for its primary office in Nashville. The lease is to expire December 31, 2008. Rent expense was \$11,143 for the year ended December 31, 2006.

Future minimum lease payments as of December 31, 2006 are as follows:

Year ending:	
December 31, 2007	\$ 16,848
December 31, 2008	17,353