SEXUAL ASSAULT CENTER

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

June 30, 2009 and 2008

SEXUAL ASSAULT CENTER

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FRASIER, DEAN & HOWARD, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

3310 WEST END AVENUE, SUITE 550
NASHVILLE, TENNESSEE 37203
PHONE 615-383-6592, FAX 615-383-7094

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Sexual Assault Center
Nashville, Tennessee

We have audited the accompanying statements of financial position of Sexual Assault Center (the "Center") (a nonprofit organization) as of June 30, 2009 and 2008 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 our audits provide 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 Sexual Assault Center as of June 30, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note14 to the financial statements, certain errors resulting in understatement of previously reported pledges receivable and individual and corporate gifts revenue as of June 30, 2008, were discovered by the management of the Center during the current year. Accordingly, the 2008 financial statements have been restated to correct the error.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Sexual Assault Center taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Frasier, Dean + Howard, PLLC

October 27, 2009

SEXUAL ASSAULT CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

Assets

	2009	2008 *(As Restated)*
Cash and cash equivalents	$ 342,217	$ 583,692
Investments	702,602	844,854
Grants receivable	37,858	67,308
Pledges receivable, net	748,332	1,380,919
Counseling fees receivable	-	3,040
Other receivables	36,553	10,717
Prepaid expenses and other	17,655	18,878
Land, building and equipment, net	2,903,884	2,902,021
Total assets	$ 4,789,101	$ 5,811,429

Liabilities and Net Assets

	2009	2008 *(As Restated)*
Accounts payable and accrued expenses	$ 24,856	$ 7,042
Construction payable	-	148,427
Note payable	-	684,000
Total liabilities	24,856	839,469
Net assets:		
Unrestricted:		
Undesignated	3,154,319	2,462,551
Board designated	35,727	35,727
Total unrestricted	3,190,046	2,498,278
Temporarily restricted	844,502	1,743,985
Permanently restricted	729,697	729,697
Total net assets	4,764,245	4,971,960
Total liabilities and net assets	$ 4,789,101	$ 5,811,429

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support:				
Grants	$ 472,537	$ -	$ -	$ 472,537
Individual and corporate gifts	445,442	32,636	-	478,078
United Way	29,459	169,287	-	198,746
Special events	144,238	10,000	-	154,238
Counseling fees	193,648	-	-	193,648
Donated services and materials	56,720	-	-	56,720
Investment income (loss)	(126,617)	-	-	(126,617)
Miscellaneous	100,555	-	-	100,555
Education	100,313	-	-	100,313
Net assets released from restrictions	1,111,406	(1,111,406)	-	-
Total revenue and other support	2,527,701	(899,483)	-	1,628,218
Expenses:				
Program services	1,536,228	-	-	1,536,228
Supporting services:				
Management and general	83,297	-	-	83,297
Fundraising	216,408	-	-	216,408
Total expenses	1,835,933	-	-	1,835,933
Change in net assets	691,768	(899,483)	-	(207,715)
Net assets, beginning of year (as restated)	2,498,278	1,743,985	729,697	4,971,960
Net assets, end of year	$ 3,190,046	$ 844,502	$ 729,697	$ 4,764,245

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2008 *(As Restated)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support:				
Grants	$ 357,635	$ -	$ -	$ 357,635
Individual and corporate gifts	361,855	2,709,659	-	3,071,514
United Way	40,802	173,709	-	214,511
Special events	110,158	15,000	-	125,158
Counseling fees	150,922	-	-	150,922
Donated services and materials	48,652	-	-	48,652
Investment income (loss)	(15,767)	-	-	(15,767)
Miscellaneous	16,803	-	-	16,803
Gain on sale of property	302,110	-	-	302,110
Education	112,715	-	-	112,715
Net assets released from restrictions	1,449,810	(1,449,810)	-	-
Total revenue and other support	2,935,695	1,448,558	-	4,384,253
Expenses:				
Program services	1,342,584	-	-	1,342,584
Supporting services:				
Management and general	104,062	-	-	104,062
Fundraising	235,817	-	-	235,817
Total expenses	1,682,463	-	-	1,682,463
Change in net assets	1,253,232	1,448,558	-	2,701,790
Net assets, beginning of year	1,245,046	295,427	729,697	2,270,170
Net assets, end of year	$ 2,498,278	$ 1,743,985	$ 729,697	$ 4,971,960

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2009 and 2008

	2009	2008 *(As Restated)*
Cash flows from operating activities:		
Change in net assets	$ (207,715)	$ 2,701,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	100,344	24,725
Gain on sale of property	-	(302,110)
Realized and unrealized loss on investments	147,869	68,113
(Increase) decrease in receivable from grantor agencies	29,450	(4,301)
(Increase) decrease in unconditional promises to give	632,587	(1,142,123)
Decrease in counseling fees receivable	3,040	3,090
Increase in other receivables	(25,836)	(10,717)
Decrease in prepaid expenses and other	1,223	10,970
Decrease in accounts payable and accrued expenses	(130,614)	(2,847)
Net cash provided by operating activities	550,348	1,346,590
Cash flows from investing activities:		
Purchases of investments	(306,395)	(28,634)
Proceeds from sale of property	-	916,000
Proceeds from sale of investments	300,778	35,647
Purchases of property and equipment	(102,206)	(2,710,829)
Net cash used in investing activities	(107,823)	(1,787,816)
Cash flows from financing activities:		
Payments on long-term debt	(684,000)	(916,000)
Borrowings on long-term debt	-	1,600,000
Net cash (used in) provided by financing activites	(684,000)	684,000
Net (decrease) increase in cash and cash equivalents	(241,475)	242,774
Cash and cash equivalents, beginning of year	583,692	340,918
Cash and cash equivalents, end of year	$ 342,217	$ 583,692
Interest paid	$ 15,713	$ 13,101
Land, building and equipment addition in construction payables	$ -	$ 148,427

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2009

	Program Services	Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total All Services
Salaries	$ 895,263	$ 18,005	$ 108,333	$ 126,338	$1,021,601
Benefits and taxes	194,080	5,546	19,066	24,612	218,692
Total salaries and related expenses	1,089,343	23,551	127,399	150,950	1,240,293
Temporary and professional service	71,306	9,521	4,966	14,487	85,793
Advertising and marketing	68,439	3,980	17,517	21,497	89,936
Occupancy	60,657	3,306	2,872	6,178	66,835
Telephone	12,095	558	488	1,046	13,141
Supplies	38,008	1,471	1,181	2,652	40,660
Equipment	14,523	1,791	3,010	4,801	19,324
Local travel	8,900	78	43	121	9,021
Insurance	12,412	480	480	960	13,372
Professional development	6,883	3,776	1,741	5,517	12,400
Licenses and fees	6,191	19,006	1,327	20,333	26,524
Special event expense	-	-	50,381	50,381	50,381
Miscellaneous	1,739	9,392	58	9,450	11,189
Donated services	56,720	-	-	-	56,720
Total expenses before depreciation	1,447,216	76,910	211,463	288,373	1,735,589
Depreciation	89,012	6,387	4,945	11,332	100,344
Total expenses	$1,536,228	$ 83,297	$ 216,408	$ 299,705	$1,835,933

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2008

	Program Services	Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total All Services
Salaries	$ 851,177	$ 12,087	$ 124,110	$ 136,197	$ 987,374
Benefits and taxes	173,381	3,406	23,500	26,906	200,287
Total salaries and related expenses	1,024,558	15,493	147,610	163,103	1,187,661
Temporary and professional service	33,434	61,691	6,607	68,298	101,732
Advertising and marketing	50,693	220	15,571	15,791	66,484
Occupancy	36,776	9,557	-	9,557	46,333
Telephone	16,599	974	-	974	17,573
Supplies	41,543	1,792	2,378	4,170	45,713
Equipment	22,789	864	1,555	2,419	25,208
Local travel	16,475	103	149	252	16,727
Insurance	12,762	794	73	867	13,629
Professional development	8,089	1,082	1,832	2,914	11,003
Licenses and fees	3,702	9,206	8,401	17,607	21,309
Special event expense	700	-	50,319	50,319	51,019
Building repairs	2,911	283	-	283	3,194
Miscellaneous	648	767	86	853	1,501
Donated services	48,652	-	-	-	48,652
Total expenses before depreciation	1,320,331	102,826	234,581	337,407	1,657,738
Depreciation	22,253	1,236	1,236	2,472	24,725
Total expenses	$ 1,342,584	$ 104,062	$ 235,817	$ 339,879	$ 1,682,463

See accompanying notes.

SEXUAL ASSAULT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

Sexual Assault Center (the "Center") was founded by volunteers in 1978 as a Tennessee not-for-profit corporation. In 2008, the Center changed its name from Rape & Sexual Abuse Center to Sexual Assault Center. The Center is the only organization in Middle Tennessee dedicated exclusively to serving victims of sexual assault. The Center offers specialized services for rape victims, child abuse victims, adult survivors and non-offending parents. These services include individual, group and family therapy, a 24-hour crisis line, hospital accompaniments, assessments and court preparation groups and an education outreach program to teach children, parents and teachers. Funding for the Center's services is provided principally by contracts with the Tennessee Department of Finance and Administration, Tennessee Department of Education and Tennessee Department of Health and Human Services, as well as, from United Way and from individual and corporate donations.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements for Not-for-Profit Organizations*. Accordingly, net assets of the Center, and changes therein are classified and reported as follows:

> **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.
>
> **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
>
> **Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Center.

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

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Temporarily restricted contributions whose restrictions are met in the same year as received are reported as unrestricted contributions.

The Center uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Donated Goods and Services

The Center's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor at the fair value of services received. The Center records the value of services donated by graduate student interns, who see clients and assist with therapy and the crisis telephone line, based on the average wage rate of clinical therapists. The value of services donated by certain other individuals who are required to have specialized training before they may help answer the crisis telephone line and assist with hospital accompaniment is based on the minimum wage rate in effect. Donated services of $56,720 and $48,652 have been included in both revenue and expenses in the statements of activities for the years ended June 30, 2009 and 2008, respectively.

Income Taxes

The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

Cash and Cash Equivalents

Cash equivalents include demand deposits with banks and time deposits with original maturities when purchased of three months or less.

Investments

Investments are reported at fair value as reported by the respective funds using quoted market prices. Net realized and unrealized gains and losses are reflected in the Statement of Activities.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at acquisition costs, or estimated fair market value if donated, less accumulated depreciation. Depreciation is computed on the straight-line method over estimated useful lives of five years for furniture and equipment and forty years for the building.

Program and supporting services – functional allocation

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

Program services – include activities carried out to fulfill the Center's mission, resulting in services provided to victims of sexual assaults and their families. This includes counseling and therapeutic services through counseling, therapy, education and advocacy. Program services also include the support provided to victims by volunteers through responding to crisis hotline calls, assisting in hospital accompaniments and general marketing and an education program that teaches children, parents and teachers how to recognize and reduce the risks of sexual abuse.

Supporting Services

Management and general – relates to the overall direction of the Center. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the Center. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, information systems and technology, and other administrative activities.

Fundraising – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Reclassification

Certain amounts from 2008 financial statements have been reclassified to conform with the 2009 presentation.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds

During 2008, the Staff of the Financial Accounting Standards Board ("FASB") issued Proposed FASB Staff Position No. FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("FSP 117-1"). FSP 117-1 clarifies that a nonprofit organization should classify the portion of a donor-restricted endowment fund that is not permanently restricted by the donor or by law as temporarily restricted net assets (time restricted) until it is appropriated for expenditure and donor-imposed purpose restrictions, if any, are met. When the purpose restrictions, if any, on the portion of donor-restricted endowment funds are met and the appropriation has occurred, temporarily restricted net assets are reclassified to unrestricted net assets. FSP 117-1also required additional disclosures applicable to all nonprofit organizations, even if the organization is not yet subject to a version of Uniform Prudent Management Institutional Funds Act ("UPMIFA"). Those disclosures provide: a) a description of the organization's policies for making appropriations for expenditures from endowment funds (i.e. the organization's endowment spending policies), b) a description of the organization's investment policies for endowment funds, c) a description of the organization's endowment by net asset class at the end of the period in total and by type of endowment fund, d) a reconciliation of the beginning and ending balances of endowment funds in total and by net asset class, and e) a description of the organization's interpretation of the law(s) underlying the net asset classification of donor-restricted endowment funds. The Center has implemented this pronouncement and is now providing the expanded disclosures as of June 30, 2009.

Fair Values

The Center has an established process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data, including interest rate yield curves, option volatilities and third party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Generally accepted accounting principles have a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values (Continued)

The three levels are explained as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 2 – INVESTMENTS

Investments and their fair value measurement consist of the following as of June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1) 2009	Quoted Prices in Active Markets for Identical Assets (Level 1) 2008
Money market funds – pending investment	$ 46,476	$ 51,435
Government and corporate bonds	345,887	348,734
Mutual funds	121,184	214,879
Individual common stocks	189,055	229,806
	$ 702,602	$ 844,854

Investment income consists of the following for the years ended June 30:

	2009	2008
Interest and dividends	$ 21,252	$ 52,346
Unrealized losses on investments	(147,869)	(68,113)
	$ (126,617)	$ (15,767)

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of the following as of June 30:

	2009	2008
Tennessee Department of Finance & Administration	$ 20,036	$ 56,024
Tennessee Department of Education	7,341	11,284
Metropolitan Government of Nashville & Davidson County	3,114	-
Tennessee Department of Health	7,367	-
	$ 37,858	$ 67,308

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	2009	2008 *(As Restated)*
United Way allocations and designations	$ 169,287	$ 174,313
Capital Campaign	582,417	1,215,250
Subtotal	751,704	1,389,563
Less discount on pledges	(3,372)	(8,644)
Net pledges receivable	$ 748,332	$ 1,380,919
Receivable in less than one year	$ 608,504	$ 822,913
Receivable in one to five years	$ 139,828	$ 558,006

Pledges receivable due in more than one year are reflected at the net present value of estimated future cash flows using a discount rate of approximately 3%. Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2009.

NOTE 5 – LAND, BUILDING AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2009	2008
Land	$ 552,618	$ 552,618
Building	1,959,280	1,959,280
Building improvements	173,001	59,352
Furniture and equipment	337,495	287,855
Construction in progress	-	67,114
Artwork	7,230	5,250
	3,029,624	2,931,469
Less: accumulated depreciation	(125,740)	(29,448)
	$ 2,903,884	$ 2,902,021

Fully depreciated assets amounted to approximately $17,681 at June 30, 2009 and $10,550 at June 30, 2008.

NOTE 6 – LINE OF CREDIT

The Center has established a $50,000 line of credit, which matures April 1, 2010. Interest is charged on the outstanding principal balance at the LIBOR rate plus 1.25% (1.57% as of June 30, 2009) on outstanding balances. As of June 30, 2009, the Center had not borrowed any amount under this line.

NOTE 7 – NOTE PAYABLE

During fiscal years 2008 and 2009, the Center had a note payable to First Tennessee Bank bearing interest at the LIBOR rate plus 1.25%. The loan was payable in monthly installments of $11,830, including interest, beginning April 30, 2011 and was collateralized by all furniture, fixtures, equipment and the cash proceeds received by the Center in respect of pledges to the Center's capital campaign relating to its purchase of land and improvements at 101 French Landing, Nashville, Tennessee and the cash proceeds received by the Center in respect of the sale of the previous land and improvements located at 25 Lindsley Ave., Nashville, Tennessee. The note payable was paid in full in April 2009. Interest expense totaled $15,713 and $13,101 for the years ended June 30, 2009 and 2008, respectively.

NOTE 8 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes or periods:

	2009	2008 *(As Restated)*
United Way funding – for following year	$ 169,287	$ 176,017
Contributions for capital campaign	665,215	1,552,968
Fundraising event – for following year	10,000	15,000
	$ 844,502	$ 1,743,985

Permanently restricted net assets

Building and equipment funds for the Center's prior location were solicited under the condition that pledges in excess of the cost of the building and equipment acquired would be used to establish a permanently restricted endowment fund.

Permanently restricted net assets consist of the following at June 30:

	2009	2008
Investments	$ 702,602	$ 729,697
Cash	27,095	-
	$ 729,697	$ 729,697

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The UPMIFA was enacted in Tennessee effective July 1, 2007. The Center has interpreted the UPMIFA as requiring that the Center classify as permanently restricted net assets a) the original value of donor-restricted gifts to the permanent endowment, b) the original value of subsequent donor-restricted gifts to the permanent endowment, and c) accumulations (interest, dividends, capital gain/loss) to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are approved for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 8 – RESTRICTIONS ON NET ASSETS (Continued)

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Center

Endowment net asset composition by type of fund as of June 30, 2009:

	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 729,697	$ 729,697
Board-designated endowment funds	-	-	-
Total funds	$ -	$ 729,697	$ 729,697

Changes in endowment net assets for the year ended June 30, 2009:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 729,697	$ 729,697
Contributions	-	-	-
Expenditures	-	-	-
Endowment net assets, end of year	$ -	$ 729,697	$ 729,697

NOTE 8 – RESTRICTIONS ON NET ASSETS (Continued)

Endowment net asset composition by type of fund as of June 30, 2008:

	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 729,697	$ 729,697
Board-designated endowment funds	-	-	-
Total funds	$ -	$ 729,697	$ 729,697

Changes in endowment net assets for the year ended June 30, 2008:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 729,697	$ 729,697
Contributions	-	-	-
Expenditures	-	-	-
Endowment net assets, end of year	$ -	$ 729,697	$ 729,697

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide a real total return, net of investment management fees, that is consistent with spending policy requirements. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Center's investment policy is to generally maintain 50% in fixed income securities and 50% in equity securities.

The Center's policy is to withdraw $10,000 of such funds each quarter for operations. However, if the amount of funds in the investment account is less than the permanently restricted net asset balance, no amount is withdrawn for operations.

In addition to the above, the Center has solicited funds for its new building with the stipulation that any excess funds will also be placed in a permanent endowment fund, the interest from which will be utilized to help fund operating costs of the new building. At June 30, 2009, no determination has yet been made on the excess funds that will be available for endowment due to continued finalization of construction costs and pledges from donors remaining outstanding.

NOTE 8 – RESTRICTIONS ON NET ASSETS (Continued)

Unrestricted designated net assets

Certain unrestricted net assets totaling $35,727 at June 30, 2009 and 2008 have been designated by the Center's Board for funds held in reserve for future use.

NOTE 9 – OPERATING LEASES

The Center rents the Clarksville office space, which has a lease that is renewable annually at the discretion of the parties involved. Rent expense for the years ended June 30, 2009 and 2008 under this lease totaled $8,615 and $6,356 respectively. For fiscal year 2010, the expected expense is $7,467.

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

The Center receives a substantial amount of its support from grants, state agencies and the United Way. Grant and United Way revenue comprised 41% and 14% of total revenue during 2009 and 2008, respectively. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Center's programs and services.

At June 30, 2009, 57% of pledges receivable were attributable to two major donors and at June 30, 2008, 72% of pledges receivable were attributable to three major donors.

During 2008 and 2009, the Center maintained deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation. As of June 30, 2008, balances were insured up to $100,000 and excess uninsured balances of the Center amounted to $389,721. As of June 30, 2009, non-interest bearing accounts were fully insured under the Transaction Account Guarantee Program, and interest bearing accounts were insured up to $250,000. The Center's deposit accounts were fully insured as of June 30, 2009.

At June 30, 2009, investments were managed by one brokerage and investment company with an account balance totaling $702,602. Investments in the account are invested in various bonds and mutual funds. Investments are not insured by FDIC or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities and Investor Protection Corporation (SIPC), which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

NOTE 11 – EMPLOYEE BENEFIT PLAN

The Center maintains a 401(k) retirement plan. Under the terms of the plan, the Center may provide a matching contribution up to a maximum of 3% of each eligible employee’s annual compensation (including bonuses, commissions and overtime). Employees are eligible to participate in the plan after one year of service and become fully vested after five years. Employer contributions for the years ended June 30, 2009 and 2008 totaled $19,482 and $15,686, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Center has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to the grantor.

The Center has received commitments for additional grant funding through June 30, 2010 of approximately $484,000.

The Center has received a conditional promise to give in the amount of $100,000 subject to the Center’s ability to raise matching funds. Presently, the Center is in the process of raising such funds. The conditional promise to give is not included in the accompanying financial statements.

NOTE 13 – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE

The Community Foundation of Middle Tennessee (the “Foundation”) maintains investments on behalf of the Center. The Foundation has ultimate authority and control over the investments; accordingly the net assets of the Center do not include these investments.

The Center does anticipate receiving periodic investment earnings on its pro-rata share of the Foundation’s assets. The balance of the endowment fund held for the benefit of the Center totals $11,465 at June 30, 2009.

NOTE 14 – RESTATEMENT OF PRIOR YEAR

The 2008 financial statements were restated due to an error in the pledges receivable balance as of June 30, 2008. During fiscal year 2009, the Center discovered certain pledges that were previously not recorded or recorded incorrectly. Accordingly, an adjustment of $150,000 was made to the previously issued 2008 financial statements to increase pledges receivable and to increase individual and corporate gifts support. In addition, $10,717 was reclassed from pledges receivable to other receivables in order to conform with the 2009 presentation.

SUPPLEMENTARY DATA

SEXUAL ASSAULT CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	CFDA No.	Pass through Grantor's Number	Balance Receivable June 30, 2008	Cash Receipts	Expenditures	Balance Receivable June 30, 2009
FEDERAL AWARDS						
U. S. Department of Justice						
Passed through TN Department of Finance & Administration						
Crime Victim Services	16.575	Z-07-033184-00	$ 55,670	$ 298,430	$ 258,358	$ 15,598
Total Crime Victim Services			55,670	298,430	258,358	15,598
Passed through TN Department of Finance & Administration						
Sexual Assault Services	16.017	0000001007	-	11,860	14,522	2,662
Total Sexual Assault Services			-	11,860	14,522	2,662
Passed through TN Department of Finance & Administration						
Stop Violence Against Women	16.588	Z-07-033054-00	354	15,177	16,599	1,776
Total Stop Violence Against Women			354	15,177	16,599	1,776
U. S. Department of Education						
Passed through TN Department of Education						
Safe and Drug Free Schools and Communities State Grant	84.186B	GR-08-21155-01	11,284	11,284	-	-
Total Safe and Drug Free Schools and Communities State Grant			11,284	11,284	-	-
Passed through TN Department of Education						
Youth Violence & Drug Use Prevention	84.186B	GR-08-21155-01	-	42,656	49,997	7,341
Total Youth Violence & Drug Use Prevention			-	42,656	49,997	7,341
U. S. Department of Health & Human Services						
Passed through TN Department of Health						
Rape Prevention and Education Services	93.136	GR-09-25816-00	-	63,152	63,152	-
Total Rape Prevention and Education Services			-	63,152	63,152	-
Passed through TN Department of Health						
Rape Prevention and Education Services	93.136	GR-09-26785-00	-	12,542	19,909	7,367
Total Rape Prevention and Education Services			-	12,542	19,909	7,367
Total Federal Financial Assistance			$ 67,308	$ 455,101	$ 422,537	$ 34,744

Note: The schedule of expenditures of federal and state awards has been prepared on the accrual basis of accounting.