

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA**

June 30, 2008 and 2007

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sexual Assault Center
Nashville, Tennessee

We have audited the accompanying statements of financial position of Sexual Assault Center (formerly Rape and Sexual Abuse Center) (the "Center") (a nonprofit organization) as of June 30, 2008 and 2007 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, 2008 and 2007, 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.

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

September 23, 2008

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

Assets

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 583,692	\$ 340,918
Investments (includes permanently restricted net assets of \$729,697 for 2008 and 2007)	844,854	919,980
Grants receivable	67,308	63,007
Pledges receivable, net	1,241,636	238,796
Counseling fees receivable	3,040	6,130
Other	18,878	29,847
Land, building and equipment, net	<u>2,902,021</u>	<u>681,381</u>
Total assets	<u>\$5,661,429</u>	<u>\$2,280,059</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 7,042	\$ 9,889
Construction payable	148,427	-
Note payable	<u>684,000</u>	<u>-</u>
Total liabilities	<u>839,469</u>	<u>9,889</u>
Net assets:		
Unrestricted:		
Undesignated	2,462,551	1,209,319
Board designated	<u>35,727</u>	<u>35,727</u>
Total unrestricted	<u>2,498,278</u>	<u>1,245,046</u>
Temporarily restricted	<u>1,593,985</u>	<u>295,427</u>
Permanently restricted	<u>729,697</u>	<u>729,697</u>
Total net assets	<u>4,821,960</u>	<u>2,270,170</u>
Total liabilities and net assets	<u>\$5,661,429</u>	<u>\$2,280,059</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and other support:				
Grants	\$ 357,635	\$ -	\$ -	\$ 357,635
Individual and corporate gifts	361,855	2,559,659	-	2,921,514
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	(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	1,298,558	-	4,234,253
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	1,298,558	-	2,551,790
Net assets, beginning of year	1,245,046	295,427	729,697	2,270,170
Net assets, end of year	<u>\$ 2,498,278</u>	<u>\$ 1,593,985</u>	<u>\$ 729,697</u>	<u>\$ 4,821,960</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and other support:				
Grants	\$ 369,328	\$ -	\$ -	\$ 369,328
Individual and corporate gifts	406,209	7,500	-	413,709
United Way	37,319	236,404	-	273,723
Special events	149,137	26,720	-	175,857
Counseling fees	141,602	-	-	141,602
Donated services and materials	49,935	-	-	49,935
Investment income	123,522	-	-	123,522
Miscellaneous	4,745	-	-	4,745
Education	73,193	-	-	73,193
Net assets released from restrictions	245,130	(245,130)	-	-
Total revenue and other support	<u>1,600,120</u>	<u>25,494</u>	<u>-</u>	<u>1,625,614</u>
Expenses:				
Program services	1,198,502	-	-	1,198,502
Supporting services:				
Management and general	106,033	-	-	106,033
Fundraising	222,204	-	-	222,204
Total expenses	<u>1,526,739</u>	<u>-</u>	<u>-</u>	<u>1,526,739</u>
Change in net assets	73,381	25,494	-	98,875
Net assets, beginning of year	<u>1,171,665</u>	<u>269,933</u>	<u>729,697</u>	<u>2,171,295</u>
Net assets, end of year	<u>\$ 1,245,046</u>	<u>\$ 295,427</u>	<u>\$ 729,697</u>	<u>\$ 2,270,170</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$2,551,790	\$ 98,875
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,726	23,071
Gain on sale of property	(302,110)	-
Realized and unrealized gain on investments	68,113	(85,343)
(Increase) decrease in receivable from grantor agencies	(4,301)	47,999
Decrease in unconditional promises to give	(1,002,840)	(8,217)
(Increase) decrease in counseling fees receivable	3,090	(2,250)
(Increase) decrease in other assets	10,969	(19,062)
Decrease in accounts payable and accrued expenses	(2,847)	(4,106)
Net cash provided by operating activities	<u>1,346,590</u>	<u>50,967</u>
Cash flows from investing activities:		
Purchases of investments	(28,634)	(207,534)
Proceeds on sale of property	916,000	-
Proceeds from sale of investments	35,647	227,351
Purchase of property and equipment	(2,710,829)	(1,176)
Net cash (used in) provided by investing activities	<u>(1,787,816)</u>	<u>18,641</u>
Cash flows from financing activities:		
Payments on long-term debt	(916,000)	-
Borrowings on long-term debt	1,600,000	-
Net cash provided by financing activities	<u>684,000</u>	<u>-</u>
Net increase in cash and cash equivalents	242,774	69,608
Cash and cash equivalents, beginning of year	<u>340,918</u>	<u>271,310</u>
Cash and cash equivalents, end of year	<u>\$ 583,692</u>	<u>\$ 340,918</u>
Interest paid	<u>\$ 13,101</u>	<u>\$ -</u>
Land, building and equipment addition in construction payables	<u>\$ 148,427</u>	<u>\$ -</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse 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	<u>\$1,342,584</u>	<u>\$ 104,062</u>	<u>\$ 235,817</u>	<u>\$ 339,879</u>	<u>\$1,682,463</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2007

	Program Services	Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total All Services
Salaries	\$ 762,716	\$ 49,812	\$ 117,008	\$ 166,820	\$ 929,536
Benefits and taxes	148,046	9,669	22,712	32,381	180,427
Total salaries and related expenses	910,762	59,481	139,720	199,201	1,109,963
Temporary and professional service	51,538	17,361	9,588	26,949	78,487
Advertising and marketing	34,180	475	12,817	13,292	47,472
Occupancy	24,928	8,196	-	8,196	33,124
Telephone	17,686	1,086	-	1,086	18,772
Supplies	37,281	3,005	880	3,885	41,166
Equipment	26,417	4,158	2,280	6,438	32,855
Local travel	6,577	783	470	1,253	7,830
Insurance	10,687	2,712	-	2,712	13,399
Professional development	8,462	1,074	558	1,632	10,094
Licenses and fees	2,275	1,777	2,389	4,166	6,441
Special event expense	50	-	53,209	53,209	53,259
Building repairs	122	38	-	38	160
Miscellaneous	300	119	293	412	712
Donated services	49,934	-	-	-	49,934
Total expenses before depreciation	1,181,199	100,265	222,204	322,469	1,503,668
Depreciation	17,303	5,768	-	5,768	23,071
Total expenses	<u>\$1,198,502</u>	<u>\$ 106,033</u>	<u>\$ 222,204</u>	<u>\$ 328,237</u>	<u>\$1,526,739</u>

See accompanying notes.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

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 Department of Human Services, Office of Criminal Justice, 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.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

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.

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 \$48,652 and \$49,934 have been included in both revenue and expenses in the statements of activities for the years ended June 30, 2008 and 2007, 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.

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.

Cash and Cash Equivalents

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

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

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

Investments

Investments are carried at fair value (generally at quoted market prices). Net realized and unrealized gains and losses are reflected in the Statement of Activities.

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 the 2007 financial statements have been reclassified to conform with the 2008 presentation.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 2 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Investments at market:		
Money market funds – pending investment	\$ 51,435	\$ 27,390
Government and corporate bonds	348,734	382,527
Mutual funds	214,879	246,090
Individual common stocks	<u>229,806</u>	<u>263,973</u>
Marketable securities – at market	<u>\$ 844,854</u>	<u>\$ 919,980</u>
	<u>2008</u>	<u>2007</u>
Components of investment income:		
Interest and dividends	\$ 69,149	\$ 9,306
Unrealized gains (losses) on investments	<u>(68,113)</u>	<u>118,961</u>
	<u>\$ 1,036</u>	<u>\$ 128,267</u>

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Tennessee Department of Human Services	\$ 56,024	\$ 51,709
Tennessee Department of Education	<u>11,284</u>	<u>11,298</u>
	<u>\$ 67,308</u>	<u>\$ 63,007</u>

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
United Way allocations and designations	\$ 174,313	\$ 238,796
Other	10,717	-
Capital Campaign	<u>1,065,250</u>	<u>-</u>
Subtotal	1,250,280	238,796
Less discount on pledges	<u>(8,644)</u>	<u>-</u>
Net pledges receivable	<u>\$ 1,241,636</u>	<u>\$ 238,796</u>
Receivable in less than one year	<u>\$ 698,600</u>	<u>\$ 238,796</u>

Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2008.

NOTE 5 – LAND, BUILDING AND EQUIPMENT

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

	<u>2008</u>	<u>2007</u>
Land	\$ 552,618	\$ 226,867
Building	1,959,280	565,492
Building improvements	59,352	23,961
Furniture and equipment	287,855	227,052
Construction in progress	67,114	-
Artwork	<u>5,250</u>	<u>-</u>
	2,931,469	1,043,372
Less: accumulated depreciation	<u>(29,448)</u>	<u>(361,991)</u>
	<u>\$ 2,902,021</u>	<u>\$ 681,381</u>

Fully depreciated assets amounted to approximately \$0 at June 30, 2008 and \$199,070 at June 30, 2007.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 6 – LINE OF CREDIT

The Center has established a \$50,000 line of credit, which matures March 31, 2009. Interest is charged on the outstanding principal balance at the LIBOR rate plus 1.25% (4.41% as of June 30, 2008) on outstanding balances. As of June 30, 2008, the Center had not borrowed any amount under this line.

NOTE 7 – NOTE PAYABLE

The Center has a note payable to First Tennessee bank bearing interest at the LIBOR rate plus 1.25% (4.41% as of June 30, 2008). The loan is payable in monthly installments of \$11,830, including interest, beginning April 30, 2011 and is 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. Future principal maturities of notes payable are as follows:

Year ending <u>June 30,</u>	
2009	\$ -
2010	-
2011	28,052
2012	115,346
2013	120,536
Thereafter	<u>420,066</u>
	<u>\$ 684,000</u>

NOTE 8 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets

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

	<u>2008</u>	<u>2007</u>
United Way funding – for following year	\$ 176,017	\$ 238,712
Contributions for capital campaign	1,402,968	29,995
Fundraising event – for following year	<u>15,000</u>	<u>26,720</u>
	<u>\$ 1,593,985</u>	<u>\$ 295,427</u>

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 8 – RESTRICTIONS ON NET ASSETS (Continued)

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:

	<u>2008</u>	<u>2007</u>
Investments	\$ 729,697	\$ 729,697
	<u>\$ 729,697</u>	<u>\$ 729,697</u>

Endowment contributions are discreetly invested by the Center. Income earned from endowment funds is for use in the unrestricted operations of the Center and recorded as unrestricted investment income, subject to the following policy.

Net appreciation (realized and unrealized) of discreetly invested endowment net assets in excess of originally contributed endowment net assets is reported as increases in unrestricted net assets. Realized and unrealized losses related to discreetly invested endowment net assets are first applied to reduce accumulated appreciation to the face value of originally contributed endowment net assets, and then to unrestricted net assets.

In addition to the above, the Organization 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, 2008, 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.

Losses relating to uncollectible accounts receivable, restricted to endowment, are borne by endowment net assets.

Unrestricted designated net assets

Certain unrestricted net assets totaling \$35,727 at June 30, 2008 and 2007 have been designated by the Center's Board for funds held in reserve for future use.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

NOTE 9 – OPERATING LEASES

The Center leases a facility in Clarksville, Tennessee at a current monthly rental of approximately \$530. Rent expense for the years ended June 30, 2008 and 2007 under this lease and a previous lease totaled \$6,356 and \$3,695 respectively. As of October 1, 2005, the Center moved its Clarksville office to a new location in which they have a lease renewable annually at the discretion of the parties involved. For fiscal year 2009, the expected expense is \$8,615.

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 14% and 40% of total revenue during 2008 and 2007, 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.

The Center maintains deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. Excess uninsured balances of the Center amounted to \$389,721 and \$166,592 at June 30, 2008 and 2007, respectively.

At June 30, 2008, investments were managed by two brokerage and investment companies with account balances totaling \$844,854. 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, 2008 and 2007 totaled \$15,686 and \$16,348, 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, 2009 of approximately \$310,000.

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2008 and 2007

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 \$14,390 at June 30, 2008.

SUPPLEMENTARY DATA

SEXUAL ASSAULT CENTER
(formerly Rape and Sexual Abuse Center)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2008

	CFDA No.	Pass through Grantor's Number	Balance Receivable June 30, 2007	Cash Receipts	Expenditures	Balance Receivable June 30, 2008
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR						
FEDERAL AWARDS						
<u>U. S. Department of Health & Human Services</u>						
Passed through the TN Department of Human Services Crime Victim Services	16.575*	Z-07-033184-00	\$ 47,491	\$ 275,192	\$ 283,371	\$ 55,670
Total CFDA Program 16.575			47,491	275,192	283,371	55,670
Passed through TN Department of Finance & Administration Stop Violence Against Women	N/A	Z-07-033054-00	4,218	20,816	16,952	354
Total Stop Violence Against Women			4,218	20,816	16,952	354
Passed through TN Department of Education Safe and Drug Free Schools and Communities State Grant	84.186B	GR-08-21155-01	11,298	57,407	57,393	11,284
Total Safe and Drug Free Schools and Communities State Grant			11,298	57,407	57,393	11,284
Total Federal Financial Assistance			\$ 63,007	\$ 353,415	\$ 357,716	\$ 67,308

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