

RAPE AND SEXUAL ABUSE CENTER

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA**

June 30, 2006 and 2005

RAPE AND SEXUAL ABUSE CENTER

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Rape and Sexual Abuse Center

We have audited the accompanying statements of financial position of the Rape and Sexual Abuse Center (the "Center") (a nonprofit organization) as of June 30, 2006 and 2005 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States. 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 the Rape and Sexual Abuse Center as of June 30, 2006 and 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2006, on our consideration of Rape and Sexual Abuse Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Rape and Sexual Abuse Center taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* 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
August 10, 2006

RAPE AND SEXUAL ABUSE CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2006 and 2005

Assets

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 271,310	\$ 299,446
Investments (includes permanently restricted net assets of \$729,697 for 2006 and 2005)	854,454	845,743
Grants receivable	111,006	11,354
Pledges receivable, net	230,579	215,364
Counseling fees receivable	3,880	22,775
Other	10,785	8,291
Land, building and equipment, net	<u>703,276</u>	<u>720,844</u>
Total assets	<u>\$2,185,290</u>	<u>\$2,123,817</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	<u>\$ 13,995</u>	<u>\$ 31,202</u>
Total liabilities	<u>13,995</u>	<u>31,202</u>
Net assets:		
Unrestricted:		
Undesignated	432,662	373,984
Property and equipment	703,276	720,844
Board designated	<u>35,727</u>	<u>35,727</u>
Total unrestricted	<u>1,171,665</u>	<u>1,130,555</u>
Temporarily restricted	<u>269,933</u>	<u>223,863</u>
Permanently restricted	<u>729,697</u>	<u>738,197</u>
Total net assets	<u>2,171,295</u>	<u>2,092,615</u>
Total liabilities and net assets	<u>\$2,185,290</u>	<u>\$2,123,817</u>

See accompanying notes.

RAPE AND SEXUAL ABUSE CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and other support:				
Grants	\$ 527,865	\$ -	\$ -	\$ 527,865
Individual and corporate gifts	350,292	25,495	(8,500)	367,287
United Way	40,330	218,271	-	258,601
Special events	117,342	24,000	-	141,342
Counseling fees	182,154	-	-	182,154
Donated services and materials	45,341	-	-	45,341
Investment income	66,190	-	-	66,190
Other	98,451	-	-	98,451
Net assets released from restrictions	<u>221,696</u>	<u>(221,696)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>1,649,661</u>	<u>46,070</u>	<u>(8,500)</u>	<u>1,687,231</u>
Expenses:				
Program services	1,280,445	-	-	1,280,445
Supporting services:				
Management and general	104,413	-	-	104,413
Fundraising	<u>223,693</u>	<u>-</u>	<u>-</u>	<u>223,693</u>
Total expenses	<u>1,608,551</u>	<u>-</u>	<u>-</u>	<u>1,608,551</u>
Change in net assets	41,110	46,070	(8,500)	78,680
Net assets, beginning of year	<u>1,130,555</u>	<u>223,863</u>	<u>738,197</u>	<u>2,092,615</u>
Net assets, end of year	<u><u>\$1,171,665</u></u>	<u><u>\$ 269,933</u></u>	<u><u>\$ 729,697</u></u>	<u><u>\$2,171,295</u></u>

See accompanying notes.

RAPE AND SEXUAL ABUSE CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and other support:				
Grants	\$ 368,597	\$ -	\$ -	\$ 368,597
Individual and corporate gifts	411,862	-	-	411,862
United Way	37,736	206,863	-	244,599
Special events	135,313	15,000	-	150,313
Counseling fees	170,689	-	-	170,689
Donated services and materials	48,486	-	-	48,486
Investment income	68,716	-	-	68,716
Other	47,303	-	-	47,303
Net assets released from restrictions	<u>245,769</u>	<u>(245,769)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>1,534,471</u>	<u>(23,906)</u>	<u>-</u>	<u>1,510,565</u>
Expenses:				
Program services	1,145,807	-	-	1,145,807
Supporting services:				
Management and general	94,245	-	-	94,245
Fundraising	<u>251,422</u>	<u>-</u>	<u>-</u>	<u>251,422</u>
Total expenses	<u>1,491,474</u>	<u>-</u>	<u>-</u>	<u>1,491,474</u>
Change in net assets	42,997	(23,906)	-	19,091
Net assets, beginning of year	<u>1,087,558</u>	<u>247,769</u>	<u>738,197</u>	<u>2,073,524</u>
Net assets, end of year	<u><u>\$1,130,555</u></u>	<u><u>\$ 223,863</u></u>	<u><u>\$ 738,197</u></u>	<u><u>\$2,092,615</u></u>

See accompanying notes.

RAPE AND SEXUAL ABUSE CENTER
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Change in net assets	\$ 78,680	\$ 19,091
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,383	28,236
Allowance for uncollectible pledges and bad debt expense	-	9,572
Realized and unrealized gain on investments	(51,909)	(30,915)
(Increase) decrease in receivable from grantor agencies	(99,652)	31,568
(Increase) decrease in unconditional promises to give	(15,215)	14,361
Decrease (increase) in counseling fees receivable	18,895	(7,102)
(Increase) decrease in other assets	(2,494)	1,520
(Decrease) increase in accounts payable and accrued expenses	<u>(17,207)</u>	<u>8,503</u>
Net cash (used) provided by operating activities	<u>(63,519)</u>	<u>74,834</u>
Cash flows from investing activities:		
Purchases of investments	(586,924)	(46,612)
Proceeds from sale of investments	630,122	30,608
Purchase of property and equipment	<u>(7,815)</u>	<u>(8,073)</u>
Net cash provided (used) in investing activities	<u>35,383</u>	<u>(24,077)</u>
Net (decrease) increase in cash and cash equivalents	(28,136)	50,757
Cash and cash equivalents, beginning of year	<u>299,446</u>	<u>248,689</u>
Cash and cash equivalents, end of year	<u><u>\$ 271,310</u></u>	<u><u>\$ 299,446</u></u>

See accompanying notes.

RAPE AND SEXUAL ABUSE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2006

	Program Services	Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total All Services
Salaries	\$ 738,006	\$ 73,927	\$ 125,958	\$ 199,885	\$ 937,891
Employee benefits	90,171	9,032	15,390	24,422	114,593
Payroll taxes	56,503	5,660	9,643	15,303	71,806
 Total salaries and related expenses	 884,680	 88,619	 150,991	 239,610	 1,124,290
 Professional and contract services	 97,580	 8,779	 6,474	 15,253	 112,833
Communication	67,856	555	16,726	17,281	85,137
Supplies	65,162	967	1,949	2,916	68,078
Donated materials and services	45,341	-	-	-	45,341
Special event expenses	-	20	33,804	33,824	33,824
Equipment rental and maintenance	32,165	-	1,027	1,027	33,192
Occupancy	29,189	16	-	16	29,205
Professional development	14,448	1,493	1,334	2,827	17,275
Insurance	13,113	-	289	289	13,402
Publications, dues, licenses and fees	3,051	3,000	1,775	4,775	7,826
Miscellaneous	2,477	964	824	1,788	4,265
Bad debts	-	-	8,500	8,500	8,500
 Total expenses before depreciation	 1,255,062	 104,413	 223,693	 328,106	 1,583,168
 Depreciation	 25,383	 -	 -	 -	 25,383
 Total expenses	 <u>\$1,280,445</u>	 <u>\$ 104,413</u>	 <u>\$ 223,693</u>	 <u>\$ 328,106</u>	 <u>\$1,608,551</u>

See accompanying notes.

RAPE AND SEXUAL ABUSE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2005

	Program Services	Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total All Services
Salaries	\$ 702,725	\$ 69,384	\$ 128,367	\$ 197,751	\$ 900,476
Employee benefits	85,749	8,466	15,664	24,130	109,879
Payroll taxes	54,610	5,392	9,976	15,368	69,978
Total salaries and related expenses	843,084	83,242	154,007	237,249	1,080,333
Communication	54,103	352	21,205	21,557	75,660
Professional and contract services	55,627	3,724	5,206	8,930	64,557
Donated materials and services	48,487	-	-	-	48,487
Special event expenses	-	-	45,313	45,313	45,313
Occupancy	32,773	97	2,836	2,933	35,706
Supplies	30,312	738	2,411	3,149	33,461
Equipment rental and maintenance	25,597	(166)	3,679	3,513	29,110
Professional development	13,620	887	882	1,769	15,389
Insurance	8,583	2,728	531	3,259	11,842
Bad debts	4,322	-	5,250	5,250	9,572
Publications, dues, licenses and fees	4,323	2,510	2,642	5,152	9,475
Miscellaneous	3,234	133	966	1,099	4,333
Total expenses before depreciation	1,124,065	94,245	244,928	339,173	1,463,238
Depreciation	21,742	-	6,494	6,494	28,236
Total expenses	<u>\$1,145,807</u>	<u>\$ 94,245</u>	<u>\$ 251,422</u>	<u>\$ 345,667</u>	<u>\$1,491,474</u>

See accompanying notes.

**RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2006 and 2005**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

Rape and Sexual Abuse Center (the “Center”) was founded by volunteers in 1978 as a Tennessee not-for-profit corporation. 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.

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

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. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other 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 \$45,341 and \$48,487 have been included in both revenue and expenses in the statements of activities for the years ended June 30, 2006 and 2005, 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.

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

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.

NOTE 2 – INVESTMENTS

Investments consist of the following as of June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Investments at Market:		
Money market funds – pending investment	\$ 13,554	\$ 27,532
Government and corporate bonds	393,336	56,555
Mutual funds	<u>447,564</u>	<u>761,656</u>
Marketable securities – at market	<u>\$ 854,454</u>	<u>\$ 845,743</u>

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

NOTE 2 – INVESTMENTS (Continued)

	<u>2006</u>	<u>2005</u>
Components of investment income:		
Interest and dividends	\$ 10,377	\$ 37,801
Unrealized gains (losses) on investments	<u>55,813</u>	<u>30,915</u>
	<u>\$ 66,190</u>	<u>\$ 68,716</u>

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of the following as of June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Tennessee Department of Human Services	\$ 64,451	\$ -
Tennessee Department of Education	22,302	-
Tennessee Department of Health	<u>24,253</u>	<u>11,354</u>
	<u>\$ 111,006</u>	<u>\$ 11,354</u>

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Endowment fund pledges	\$ -	\$ 8,500
United Way allocations and designations	220,579	206,864
Other	<u>10,000</u>	<u>-</u>
Subtotal	230,579	215,364
Less allowance for uncollectible pledges	<u>-</u>	<u>-</u>
Net pledges receivable	<u>\$ 230,579</u>	<u>\$ 215,364</u>
Receivable in less than one year	<u>\$ 230,579</u>	<u>\$ 215,364</u>

Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2006.

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

NOTE 5 – LAND, BUILDING AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Land	\$ 226,867	\$ 226,867
Building	565,492	565,492
Building improvements	23,961	23,961
Furniture and equipment	<u>225,876</u>	<u>218,061</u>
	1,042,196	1,034,381
Less: accumulated depreciation	<u>(338,920)</u>	<u>(313,537)</u>
	<u>\$ 703,276</u>	<u>\$ 720,844</u>

Fully depreciated assets amounted to approximately \$192,376 at June 30, 2006 and \$186,262 at June 30, 2005.

NOTE 6 – LINE OF CREDIT

The Center has established a \$50,000 line of credit, which matures June 10, 2007. Interest is charged on the outstanding principal balance at the bank's prime lending rate plus 2% (10.25% as of June 30, 2006) on outstanding balances. As of June 30, 2006, the Center had not borrowed any amount under this line.

NOTE 7 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets

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

	<u>2006</u>	<u>2005</u>
United Way funding – for following year	\$ 220,438	\$ 208,863
Other contributions for future periods	25,495	-
Fundraising event – for following year	<u>24,000</u>	<u>15,000</u>
	<u>\$ 269,933</u>	<u>\$ 223,863</u>

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

NOTE 7 – RESTRICTIONS ON NET ASSETS (Continued)

Permanently restricted net assets

Building and equipment funds 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 consists of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Investments	\$ 729,697	\$ 729,697
Pledges receivable	<u>-</u>	<u>8,500</u>
	<u>\$ 729,697</u>	<u>\$ 738,197</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.

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, 2006 and 2005 have been designated by the Center's Board for funds held in reserve for future use.

NOTE 8 – OPERATING LEASES

The Center leases a facility in Clarksville, Tennessee at a current monthly rental of approximately \$300. Rent expense for the years ended June 30, 2006 and 2005 under this lease and a previous lease totaled \$750 and \$9,771, respectively. On July 1, 2005, the Center terminated its prior lease effective September 30, 2005. As of October 1, 2005, the Center moved its Clarksville office to a new location in which one year free rent was received.

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

NOTE 9 – 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 49% and 41% of total revenue during 2006 and 2005, 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 \$99,484 at June 30, 2006 and \$123,581 at June 30, 2005.

At June 30, 2006, investments were managed by two brokerage and investment companies with account balances totaling \$854,454. 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 10 – 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, 2006 and 2005 totaled \$16,590 and \$15,682, respectively.

NOTE 11 – 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 per year.

NOTE 12 – 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.

RAPE AND SEXUAL ABUSE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2006 and 2005

NOTE 12 – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE (Continued)

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 \$12,845 at June 30, 2006.

SUPPLEMENTARY DATA

RAPE AND SEXUAL ABUSE CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR	CFDA No.	Pass through Grantor's Number	Balance Receivable June 30, 2005	Cash Receipts	Expenditures	Balance Receivable June 30, 2006
FEDERAL AWARDS						
<u>U. S. Department of Health & Human Services</u>						
Program						
Passed through the TN Department of Human Services Crime Victim Services	16.575*	Z-00-099368-01	\$ -	\$ 220,422	\$ 280,978	\$ 60,556
Total CFDA Program 16.575			-	220,422	280,978	60,556
Passed through TN Department of Finance & Administration Stop Violence Against Women	N/A	Z-00-001400-01	-	12,677	16,571	3,894
Total Stop Violence Against Women			-	12,677	16,571	3,894
Passed through TN Department of Health Preventive Health & Health Services Block Grant for Rape Prevention Services	93.991	GR-05-16215-00	6,907	6,907	-	-
Preventive Health & Health Services Block Grant for Rape Prevention Services	93.991	GR-06-16985-00	-	45,691	52,948	7,257
Preventive Health & Health Services Block Grant for Rape Prevention Services	93.991	GR-05-16918-00	4,446	97,335	109,886	16,997
Total CFDA Program 93.991			11,353	149,933	162,834	24,254
Passed through TN Department of Education Youth Violence and Drug Use Prevention	84.186	GR-06-12555-00	-	34,125	56,427	22,302
Total CFDA Program 84.186			-	34,125	56,427	22,302
Total Federal Financial Assistance			\$ 11,353	\$ 417,157	\$ 516,810	\$ 111,006

* Denotes major program

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



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Rape and Sexual Abuse Center

We have audited the financial statements of Rape and Sexual Abuse Center (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rape and Sexual Abuse Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rape and Sexual Abuse Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the finance committee, management, board of directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Frasier, Dean + Howard, PLLC

August 10, 2006



FRASIER, DEAN & HOWARD, PLLC

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Rape and Sexual Abuse Center

Compliance

We have audited the compliance of Rape and Sexual Abuse Center (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Rape and Sexual Abuse Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Rape and Sexual Abuse Center's management. Our responsibility is to express an opinion on Rape and Sexual Abuse Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rape and Sexual Abuse Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Rape and Sexual Abuse Center's compliance with those requirements.

In our opinion, Rape and Sexual Abuse Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Rape and Sexual Abuse Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Rape and Sexual Abuse Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the finance committee, management, board of directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Frasier, Dean + Howard, PLLC

August 10, 2006

**RAPE AND SEXUAL ABUSE CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2006**

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are considered to be material weakness(es)? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards:

Internal control over major programs

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are considered to be material weakness(es)? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

CFDA Number

16.575

Name of Federal Program

Crime Victim Services

Dollar threshold used to distinguish between

Type A and type B programs

\$300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

A. None

**RAPE AND SEXUAL ABUSE CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year ended June 30, 2006**

Section III – Federal Award Findings and Questioned Costs

Department of Justice Crime Victim Services Grant – CFDA No. 16.575

**Questioned
Costs**

None

**RAPE AND SEXUAL ABUSE CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2005**

None