

AUDITED
FINANCIAL STATEMENTS
OF
CHILDREN'S RESTORATION
NETWORK, INC.

March 24, 2013

CHARTER ACCOUNTING
AND TAX SERVICE

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CHARTER ACCOUNTING
1020 CAMBRIDGE SQUARE
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INDEPENDENT AUDITOR'S REPORT
March 24, 2013

Children's Restoration Network, Inc.

We have audited the accompanying statement of financial position of Children's Restoration Network, Inc. as of August 31 2012 and the related statements of activities and functional expenses and changes in cash flows for the year then ended. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Children's Restoration Network, Inc. as of August 31, 2012 and the changes in its net assets and its cash flows for the year then ended.



Deborah I. Daniel
Certified Public Accountant

Children's Restoration Network

Balance Sheet

As of August 31, 2012

	<u>Aug 31, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
Children's Restoration Network	<u>89,250.00</u>
Total Checking/Savings	<u>89,250.00</u>
Total Current Assets	89,250.00
Fixed Assets	
Auto	7,555.00
Accumulated Depreciation	-38,314.00
New Building	<u>290,000.00</u>
Total Fixed Assets	<u>259,241.00</u>
TOTAL ASSETS	<u><u>348,491.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	<u>397.00</u>
Total Credit Cards	<u>397.00</u>
Total Current Liabilities	397.00
Long Term Liabilities	
Building Purchase	<u>120,279.00</u>
Total Long Term Liabilities	<u>120,279.00</u>
Total Liabilities	120,676.00
Equity	
Opening Balance Equity	208,909.00
Increase(Decrease) In Fund Assets	18,906.00
Total Equity	<u><u>227,815.00</u></u>
TOTAL LIABILITIES & EQUITY	<u><u>348,491.00</u></u>

Children's Restoration Network
Statement of Activities and Functional Expenses
September 2011 through August 2012

	<u>Sep 11 - Aug 12</u>
Program Support	
Donations & Grants	511,318
In Kind Contributions	2,425,254
Total Support(Note 1)	<u>2,936,572</u>
Functional Expense(Schedule1)	
Bank Charges	784
Equipment Rental	2,092
Depreciation Expense	7,436
Occupancy	11,208
Subscriptions	504
Payroll	223,128
Fundraising	136,056
Printing	6,475
Professional Services	8,763
Meetings	1,699
Other Office	4,053
Office Supplies	4,360
Advertising & Promotion	1,699
Total Expense	<u>408,257</u>
Program Expense	
Direct Program	84,155
Special Programs(Note A)	2,425,254
	<u>2,509,409</u>
Total Expenses(Schedule1)	<u>2,917,666</u>
Increase(Decrease) in Unrestricted Funds	<u>18,906</u>

**Children's Restoration Network
Schedule 1
September 2011 through August 2012**

	<u>Management</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>Total</u>
Functional Expense				
Payroll	143,402	44,626	35,100	\$ 223,128
Service Charges	159	160		319
Subscription Dues	252	252		504
Equipment Rental	1,960		490	2,450
Insurance		929	930	1,859
Liscense and Permits		193	193	386
Postage	3,295	1976	1,318	6,589
Printing Reproduction	3,238	1618	1,619	6,475
Professional Services	3,944	3505	1,314	8,763
Occupancy	27,763	7908	3,964	39,635
Office Equipment	1,621	1419	1,013	4,053
Office Supplies	2,184	1310	874	4,368
Newsletters	2,398	1,308	654	4,360
Meetings	1,014	339	346	1,699
Back 2 School	15,617			15,617
Career Day	49			49
Car Raffle			265	265
Celebrate the Children			65,395	65,395
Digital Bridge	0			-
Easter Gala	319			319
Friends Indeed	117			117
Golf Tournament			5,027	5,027
Ladies Guild	1,419			1,419
Project One on One	1,235			1,235
Porsche Raffle			16,487	16,487
Scholarships	51,218			51,218
12 Days of Caring	10,948			10,948
Thanksgiving	3,880			3,880
Auto	6,045		1,067	7,112
Financial Assistance	1,300			1,300
Depreciation	7,436			7,436
Special Programs(Note A)			2,425,254	2,425,254
Total Expense	290,813	65,543	2,561,310	2,917,666

Children's Restoration Network
Statement of Cash Flows
September 2011 through August 2012

OPERATING ACTIVITIES	
Net Income	18,906
Adjustments to reconcile Net Income to net cash provided by operations:	
Increase(Decrease) in Liabilities	105
Net cash provided by Operating Activities	<u>19,011</u>
INVESTING ACTIVITIES	
Accumulated Depreciation	7,436
Net cash provided by Investing Activities	<u>7,436</u>
FINANCING ACTIVITIES	
Loan repayments	(105)
Net cash provided by Financing Activities	<u>(105)</u>
Net cash increase for period	26,342
Cash at beginning of period	<u>62,908</u>
Cash at end of period	<u><u>89,250</u></u>

**Children's Restoration Network
Schedule 1
September 2011 through August 2012**

Note A

The in Kind Contributions are the total value of the donations and volunteer effort for the special programs listed below.

	Volunteer Hours	Volunteer \$	Value	Total
Easter	924	17,954	17,000	34,954
Board	820	17,867	17,867	17,867
Office Help	3193	69,575		69,575
12 Days	4936	107,555	360,418	467,973
CTC	1984	43,231	108,214	151,445
Back 2 School	3908	85,155	385,450	470,605
New Hope	109	2,375		2,375
Thanksgiving	3463	75,458	287,428	362,886
Adopt-a-Shelter	4780	104,156	277,221	381,377
Digital Bridge	585	12,747	34,856	47,603
Library	175	3,813	23,737	27,550
Friends Indeed	1620	35,299	14,837	50,136
1on1	13,720	298,958		298,958
Golf Tournament	42	915	680	1,595
Career Day	1852	40,355		40,355
				2,425,254

Children's Restoration Network, Inc.
NOTES TO FINANCIAL STATEMENTS
Year Ended August 31, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A Property, plant and equipment- Property, plant and equipment are carried at cost. Depreciation is computed using straight-line and accelerated methods. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred.

- B Revenue Recognition- Revenue is recognized on a cash basis.

2 SPECIAL PROGRAMS

The special programs of the organization are all done to meet the primary exempt purpose of the organization which are efforts to meet the physical needs of homeless children and their families. In addition to supporting various shelters efforts to provide food and clothing to this group, the organization also focusees on tutoring and mentoring children in grades 1-8. Multiple fundraising campaigns are help throughout the year with wide community support.