

AUDITED

FINANCIAL STATEMENTS

OF

**CHILDREN'S RESTORATION
NETWORK, INC.**

May 7, 2014

**CHARTER ACCOUNTING
AND TAX SERVICE**

Deborah I. Daniel
Certified Public Accountant
1020 Cambridge Square
Suite A
Alpharetta, Georgia 30009

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CHARTER ACCOUNTING
1020 CAMBRIDGE SQUARE
ALPHARETTA, GA 30009
770-671-0021

INDEPENDENT AUDITOR'S REPORT
May 8, 2014

Children's Restoration Network, Inc.

We have audited the accompanying statement of financial position of Children's Restoration Network, Inc. as of August 31 2013 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, 2013 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, 2013

	<u>Aug 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
Children's Restoration Network	<u>62,070.00</u>
Total Checking/Savings	<u>62,070.00</u>
Total Current Assets	62,070.00
Fixed Assets	
Auto	7,555.00
Accumulated Depreciation	-45,750.00
New Building	<u>290,000.00</u>
Total Fixed Assets	<u>251,805.00</u>
TOTAL ASSETS	<u>313,875.00</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	<u>491.00</u>
Total Credit Cards	<u>491.00</u>
Total Current Liabilities	491.00
Long Term Liabilities	
Building Purchase	<u>120,279.00</u>
Total Long Term Liabilities	<u>120,279.00</u>
Total Liabilities	120,770.00
Equity	
Opening Balance Equity	141,396.00
Increase(Decrease) In Fund Assets	51,709.00
Total Equity	<u>193,105.00</u>
TOTAL LIABILITIES & EQUITY	<u>313,875.00</u>

Children's Restoration Network
Statement of Activities and Functional Expenses
September 2012 through August 2013

	<u>Sep 12 - Aug 13</u>
Program Support	
Donations & Grants	408,191
In Kind Contributions	<u>2,578,689</u>
Total Support(Note 1)	<u>2,986,880</u>
Functional Expense(Schedule 1)	
Bank Charges	60
Equipment Rental	1,929
Depreciation Expense	7,436
Occupancy	27,856
Subscriptions	187
Payroll	175,237
Fundraising	60,119
Printing	5,020
Professional Services	4,074
Meetings	1,181
Other Office	5,650
Office Supplies	3,676
Advertising & Promotion	-
Total Expense	<u>292,425</u>
Program Expense	
Direct Program	64,057
Special Programs(Note A)	<u>2,578,689</u>
	<u>2,642,746</u>
Total Expenses(Schedule 1)	<u>2,935,171</u>
Increase(Decrease) in Unrestricted Funds	<u>51,709</u>

Children's Restoration Network

Note A

September 2012 through August 2013

The in Kind Contributions are the total value of the donations and volunteer effort for the following special programs:

	Volunteer Hours	Volunteer \$	Value	Total
Easter	425	9,409	15,873	25,282
Board	675	14,944		14,944
Office Help	3697	81,851		81,851
12 Days	4931	109,172	344,000	453,172
CTC	2013	44,567	112,000	156,567
Back 2 School	4098	90,729	407,210	497,939
New Hope	125	2,767		2,767
Thanksgiving	2744	60,752	323,000	383,752
Adopt-a-Shelter	5108	113,091	317,219	430,310
Digital Bridge	725	16,051	41,278	57,329
Library	195	4,317	26,238	30,555
Friends Indeed	2127	47,091	16,710	63,801
1on1	15,119	334,734		334,734
Golf Tournament	52	1,151	4,180	5,331
Career Day	2127	47,091		40,355
				2,578,689

Children's Restoration Network
Statement of Cash Flows
September 2012 through August 2013

OPERATING ACTIVITIES	
Net Income	51,709
Adjustments to reconcile Net Income to net cash provided by operations:	
Increase(Decrease) in Liabilities	94
Net cash provided by Operating Activities	<u>51,803</u>
INVESTING ACTIVITIES	
Accumulated Depreciation	7,436
Net cash provided by Investing Activities	<u>7,436</u>
FINANCING ACTIVITIES	
Loan repayments	-
Net cash provided by Financing Activities	<u>-</u>
Net cash increase for period	59,239
Cash at beginning of period	<u>2,831</u>
Cash at end of period	<u><u>62,070</u></u>

Children's Restoration Network

Schedule 1

September 2012 through August 2013

Note A

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Children's Restoration Network, Inc.
NOTES TO FINANCIAL STATEMENTS
Year Ended August 31, 2013

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.