

**AUDITED**

**FINANCIAL STATEMENTS**

**OF**

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

February 10, 2012

**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**

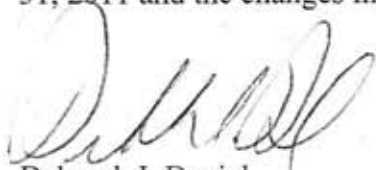
February 10, 2012

Children's Restoration Network, Inc.

We have audited the accompanying statement of financial position of Children's Restoration Network, Inc. as of August 31 2011 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, 2011 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, 2011

	<u>Aug 31, 11</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Children's Restoration Network	<u>62,908.00</u>
<b>Total Checking/Savings</b>	<u>62,908.00</u>
<b>Total Current Assets</b>	62,908.00
<b>Fixed Assets</b>	
Auto	7,555.00
Accumulated Depreciation	-30,878.00
New Building	<u>290,000.00</u>
<b>Total Fixed Assets</b>	<u>266,677.00</u>
<b>TOTAL ASSETS</b>	<u><u>329,585.00</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	292.00
Total Credit Cards	<u>292.00</u>
<b>Total Current Liabilities</b>	292.00
<b>Long Term Liabilities</b>	
Building Purchase	<u>120,384.00</u>
<b>Total Long Term Liabilities</b>	<u>120,384.00</u>
<b>Total Liabilities</b>	120,676.00
<b>Equity</b>	
Opening Balance Equity	163,426.00
Increase(Decrease) In Fund Assets	45,483.00
<b>Total Equity</b>	<u><u>208,909.00</u></u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>329,585.00</u></u>

**Children's Restoration Network**  
**Statement of Activities and Functional Expenses**  
**September 2010 through August 2011**

	<u>Sep 10 - Aug 11</u>
<b>Program Support</b>	
Donations & Grants	457,756
In Kind Contributions	<u>2,378,924</u>
<b>Total Support(Note 1)</b>	<u>2,836,680</u>
<b>Functional Expense(Schedule1)</b>	
Bank Charges	784
Equipment Rental	2,092
Depreciation Expense	7,436
Occupancy	11,208
Subscriptions	763
Payroll	203,863
Fundraising	98,767
Printing	6,021
Professional Services	6,531
Meetings	1,196
Other Office	13,529
Office Supplies	4,213
Advertising & Promotion	16,362
<b>Total Expense</b>	<u>372,765</u>
<b>Program Expense</b>	
Direct Program	39,508
Special Programs(Note A)	<u>2,378,924</u>
	<u>2,418,432</u>
<b>Total Expenses(Schedule1)</b>	<u>2,791,197</u>
<b>Increase(Decrease) in Unrestricted Funds</b>	<u>45,483</u>

Children's Restoration Network  
Schedule 1  
September 2010 through August 2011

	Management	Fundraising	Programs	Total
Payroll	46,800	35,100	121,963	203,863
Service Charges	392		392	784
Subscriptions	381		382	763
License & Permits	152	153		305
Postage	2,565	1,710	4,276	8,551
Printing	1,197	1,211	3,613	6,021
Professional Fees	2,612	980	2,939	6,531
Occupancy	3,138	785	7,285	11,208
Office Equipment	494	353	564	1,411
Office Supplies	925	476	1,401	2,802
Newsletters	536	269	985	1,790
Meetings	239	239	718	1,196
Back 2 School			12,948	12,948
CTCG		94,239		94,239
Digital Bridge			895	895
Easter Gala			1,647	1,647
Golf Tournament		4,428		4,428
New Initiatives			165	165
New Hope Scholarships			20,896	20,896
12 Days of Caring			7,043	7,043
Thanksgiving			2,292	2,292
Project One on One			2,346	2,346
Auto		806	4,566	5,372
Financial Assistance			2,200	2,200
Equipment Rental		418	1,674	2,092
Insurance	1,137	1,136		2,273
Other Programs			777	777
Depreciation	7,436		0	7,436
Special Programs(Note A)			2,378,924	2,378,924
<b>Total</b>	<b>68,004</b>	<b>142,303</b>	<b>2,580,890</b>	<b>2,791,197</b>

**Children's Restoration Network**  
**Statement of Cash Flows**  
September 2010 through August 2011

<b>OPERATING ACTIVITIES</b>	
Net Income	45,483
Adjustments to reconcile Net Income to net cash provided by operations:	
Increase(Decrease) in Liabilities	(843)
Net cash provided by Operating Activities	<u>44,640</u>
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	8,781
Net cash provided by Investing Activities	<u>8,781</u>
<b>FINANCING ACTIVITIES</b>	
Loan repayments	(22,107)
Net cash provided by Financing Activities	<u>(22,107)</u>
 Net cash increase for period	 31,314
 Cash at beginning of period	 <u>31,594</u>
Cash at end of period	<u><u>62,908</u></u>

Children's Restoration Network, Inc.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended August 31, 2011

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.