

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION**

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CONSIDINE CONSIDINE
CERTIFIED PUBLIC ACCOUNTANTS

To The Board of Directors
Voices For Children
A Nonprofit Organization

Independent Auditor's Report

We have audited the accompanying statements of financial position of Voices For Children, A Nonprofit Organization, as of June 30, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 that 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 Voices For Children as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Considine & Considine

CONSIDINE & CONSIDINE
An Accountancy Corporation

October 1, 2008

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**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007**

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	2008	2007
ASSETS		
CURRENT ASSETS		
Cash (Note 3)	\$ 753,846	\$ 704,495
Marketable Securities (Note 5)	383,917	401,242
Prepaid Expenses	46,848	12,695
Grants Receivable (Note 6)	137,165	33,000
	1,321,776	1,151,432
PROPERTY AND EQUIPMENT (Note 7)	57,396	34,239
OTHER ASSETS		
Rent Deposit	37,346	8,321
TOTAL ASSETS	1,416,518	1,193,992
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses (Note 8)	78,958	58,817
Deferred Revenue	63,215	53,050
TOTAL LIABILITIES	142,173	111,867
COMMITMENTS (Note 12)		
NET ASSETS		
Unrestricted	1,121,764	1,055,673
Temporarily Restricted (Note 11)	152,581	26,452
	1,274,345	1,082,125
TOTAL LIABILITIES AND NET ASSETS	\$ 1,416,518	\$ 1,193,992

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES			
Gifts and Contributions	\$ 982,388	\$ 156,539	\$ 1,138,927
Special Events (Note 10)			
(Includes \$352,846 of Expenses)	777,616	-	777,616
Government Funding	426,300	-	426,300
Interest and Dividends	40,395	175	40,570
Donated Facilities	23,328	-	23,328
Donated Services	9,198	-	9,198
Realized Gains on Investments	6,931	-	6,931
Unrealized Loss on Investments	(42,396)	-	(42,396)
	<u>2,223,760</u>	<u>156,714</u>	<u>2,380,474</u>
Net Assets Released From Temporary Restrictions	30,585	(30,585)	-
Total Revenue	<u>2,254,345</u>	<u>126,129</u>	<u>2,380,474</u>
EXPENSES			
Program	1,697,616	-	1,697,616
Management and General	139,444	-	139,444
Fundraising	351,194	-	351,194
Total Expenses	<u>2,188,254</u>	<u>-</u>	<u>2,188,254</u>
INCREASE IN NET ASSETS	66,091	126,129	192,220
NET ASSETS - BEGINNING OF YEAR	<u>1,055,673</u>	<u>26,452</u>	<u>1,082,125</u>
NET ASSETS - END OF YEAR	<u>\$ 1,121,764</u>	<u>\$ 152,581</u>	<u>\$ 1,274,345</u>

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

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	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES			
Gifts and Contributions	\$ 911,276	\$ 45,404	\$ 956,680
Special Events (Note 10)			
(Includes \$232,390 of Expenses)	536,479	-	536,479
Government Funding	356,055	-	356,055
Donated Facilities	22,608	-	22,608
Interest and Dividends	30,847	142	30,989
Unrealized Gains on Investments	30,753	-	30,753
Donated Services	4,500	-	4,500
Realized Gains on Investments	3,906	-	3,906
	<u>1,896,424</u>	<u>45,546</u>	<u>1,941,970</u>
Net Assets Released From Temporary Restsrictions	31,297	(31,297)	-
Total Revenue	<u>1,927,721</u>	<u>14,249</u>	<u>1,941,970</u>
EXPENSES			
Program	1,380,470	-	1,380,470
Management and General	123,671	-	123,671
Fundraising	233,543	-	233,543
Total Expenses	<u>1,737,684</u>	<u>-</u>	<u>1,737,684</u>
INCREASE IN NET ASSETS	190,037	14,249	204,286
NET ASSETS - BEGINNING OF YEAR	<u>865,636</u>	<u>12,203</u>	<u>877,839</u>
NET ASSETS - END OF YEAR	<u>\$ 1,055,673</u>	<u>\$ 26,452</u>	<u>\$ 1,082,125</u>

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

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	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Children's Assistance	\$ 30,585	\$ -	\$ -	\$ 30,585
Credit Card Fees	4,122	-	-	4,122
Dues & Subscriptions	14,701	764	1,211	16,676
Employee Benefits	63,767	7,175	7,927	78,869
Equipment & Maintenance	9,676	-	-	9,676
Food & Site Rental	15,450	-	7,214	22,664
Insurance	15,113	-	-	15,113
Materials	7,756	-	3,207	10,963
Mileage & Meals	54,870	212	3,778	58,860
Office Supplies	17,237	-	-	17,237
Payroll Taxes	86,750	7,990	19,405	114,145
Postage	8,811	148	6,558	15,517
Printing	20,945	-	12,212	33,157
Professional Services	50,021	5,866	15,502	71,389
Recognition Awards	4,377	-	-	4,377
Rent	116,507	5,483	15,077	137,067
Salaries	1,123,250	110,242	254,709	1,488,201
Staff Development	3,843	-	-	3,843
Telephone	15,407	725	1,994	18,126
Temporary Services	1,277	-	-	1,277
Workers' Compensation	15,410	-	-	15,410
TOTAL EXPENSES BEFORE DEPRECIATION	1,679,875	138,605	348,794	2,167,274
Depreciation	17,741	839	2,400	20,980
TOTAL EXPENSES	\$ 1,697,616	\$ 139,444	\$ 351,194	\$ 2,188,254

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Children's Assistance	\$ 31,799	\$ -	\$ -	\$ 31,799
Credit Card Fees	3,306	-	-	3,306
Dues & Subscriptions	7,248	1,051	505	8,804
Employee Benefits	61,277	3,482	4,874	69,633
Equipment & Maintenance	7,094	-	-	7,094
Food & Site Rental	16,508	-	5,356	21,864
Insurance	17,067	-	-	17,067
Materials	6,647	-	4,807	11,454
Mileage & Meals	42,403	604	1,385	44,392
Office Supplies	12,836	746	1,343	14,925
Payroll Taxes	75,093	4,366	7,859	87,318
Postage	9,843	123	3,630	13,596
Printing	15,727	-	5,413	21,140
Professional Services	16,571	6,135	-	22,706
Recognition Awards	3,454	-	-	3,454
Rent	110,141	5,089	9,161	124,391
Salaries	893,081	101,164	187,570	1,181,815
Staff Development	1,232	-	-	1,232
Telephone	15,668	911	1,640	18,219
Temporary Services	853	-	-	853
Workers' Compensation	13,154	-	-	13,154
TOTAL EXPENSES BEFORE DEPRECIATION	1,361,002	123,671	233,543	1,718,216
Depreciation	19,468	-	-	19,468
TOTAL EXPENSES	\$ 1,380,470	\$ 123,671	\$ 233,543	\$ 1,737,684

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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	2008	2007
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	\$ 192,220	\$ 204,286
ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	20,980	19,468
Realized Gain on Sale of Marketable Securities	(6,931)	(3,906)
Unrealized Loss/(Gain) on Marketable Securities	42,396	(30,753)
Increase in Prepaid Expenses	(34,153)	(267)
(Increase)/Decrease in Grants Receivable	(104,165)	23,743
Increase in Rent Deposit	(29,025)	-
Increase in Accrued Expenses	20,141	6,447
Increase in Deferred Revenue	10,165	51,250
	(80,592)	65,982
NET CASH PROVIDED BY OPERATING ACTIVITIES	111,628	270,268
CASH FLOWS USED BY INVESTING ACTIVITIES		
Proceeds on Sale of Investments	32,351	51,834
Purchase of Investments	(50,491)	(68,328)
Purchase of Property and Equipment	(44,137)	(10,075)
	(62,277)	(26,569)
NET INCREASE IN CASH	49,351	243,699
CASH, BEGINNING	704,495	460,796
CASH, ENDING	\$ 753,846	\$ 704,495
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

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NOTE 1 ORGANIZATION

Voices For Children was incorporated as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and the laws of the State of California on August 12, 1982. The Organization operates the only San Diego Court Appointed Special Advocate (CASA) program in the county, which trains and supervises community volunteers who are advocates for abused and neglected children in juvenile court. These volunteers undergo an extensive training program before being assigned one or two cases involving abused children. The volunteers act as fact finders for the judges, providing the information needed to make life altering decisions for these children.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as quoted by market exchanges in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment - Property and equipment are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

VOICES FOR CHILDREN
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenues - Revenues received in advance of a special event are deferred. The revenues are recognized when the event occurs.

Contributions - Contributions received are considered to be unrestricted and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services - The Organization recognizes the value of donated services in accordance with SFAS 116 by recording the services at their fair value. All donated services recognized created a non-financial asset or required specialized skills that would have been purchased if they were not donated. During the years ended June 30, 2008 and 2007, the Organization received donated professional services.

Income Taxes - Voices for Children is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications - Certain reclassifications have been made to the June 30, 2007 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 3 CASH

The Organization maintains its cash in two commercial banks located nationally. At June 30, 2008 and 2007, the Organization had approximately \$712,000 and \$646,000 respectively, in excess of the insured limits at their financial institution. Cash consists of the following:

	2008	2007
Unrestricted Cash	\$ 709,265	\$ 678,043
Temporarily Restricted Cash	44,581	26,452
Total Cash	\$ 753,846	\$ 704,495

The temporarily restricted accounts are restricted for gifts to children only and cannot be used for the Organization's operational expenses.

NOTE 4 DESIGNATED CASH AND INVESTMENTS

A reserve of cash and liquid investments was designated during the 1997 fiscal year by the board of directors as an emergency fund for operational expenses. For the years ending June 30, 2008 and 2007, this reserve amounted to \$708,000 and \$575,856 which is included in the cash and investment assets of \$1,137,763 and \$1,105,737, respectively.

NOTE 5 MARKETABLE SECURITIES

Marketable securities consist of the following:

2008	Cost	Fair Value
Mutual Funds	\$ 152,184	\$ 208,332
Bond Funds	124,380	170,486
Index Funds	5,762	5,099
	\$ 282,326	\$ 383,917
2007	Cost	Fair Value
Mutual Funds	\$ 116,894	\$ 227,961
Bond Funds	120,385	173,281
	\$ 237,279	\$ 401,242

VOICES FOR CHILDREN
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 5 MARKETABLE SECURITIES (Continued)

The following schedules summarize the investment income and its classification for the years ended June 30, 2008 and 2007. All investment income was unrestricted.

	2008	2007
Dividends	\$ 12,838	\$ 16,619
Unrealized (Losses)/Gains	(42,396)	30,753
Realized Gains	6,931	3,906
	\$ (22,627)	\$ 51,278

NOTE 6 GRANTS AND PLEDGES RECEIVABLE

The Organization receives grants from the San Diego Superior Court for the salaries of certain program employees. \$29,165 and \$25,000 was due from the San Diego Superior Court as of June 30, 2008 and 2007, respectively.

For the years ended June 30, 2008 and 2007, the Organization had pledges receivable of \$108,000 and \$8,000, respectively. The pledges are due within one year.

NOTE 7 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	Balance July 1, 2007	Additions	Disposals	Balance June 30, 2008
Computers	\$ 68,422	\$ 44,137	\$ (3,530)	\$ 109,029
Office Furniture and Equipment	54,839	-	-	54,839
Phone System	25,535	-	-	25,535
	148,796	44,137	(3,530)	189,403
Accumulated Depreciation				(132,007)
				\$ 57,396

	Balance July 1, 2006	Additions	Disposals	Balance June 30, 2007
Computers	\$ 60,632	\$ 8,706	\$ (916)	\$ 68,422
Office Furniture and Equipment	54,320	1,368	(849)	54,839
Phone System	25,535	-	-	25,535
	140,487	10,074	(1,765)	148,796
Accumulated Depreciation				(114,557)
				\$ 34,239

VOICES FOR CHILDREN
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 8 ACCRUED EXPENSES

Accrued expenses consist of the following:

	2008	2007
Accrued Vacation	\$ 56,155	\$ 46,254
Accrued Payables	22,803	12,563
	\$ 78,958	\$ 58,817

NOTE 9 LINE OF CREDIT

The Organization had a line of credit for \$100,000 with California Bank & Trust. The Organization has drawn \$0 against this line in 2008 and 2007. The line of credit is collateralized by substantially all of the assets of the Organization. The interest rate on the line is prime (5% at June 30, 2008) plus 1%. The line of credit expired on April 15, 2008.

NOTE 10 SPECIAL EVENTS

Special events revenues and expenses are directly related to fundraising and consist of the following:

	2008	2007
Revenue		
Makua	\$ 339,786	\$ 179,086
Starry Night	560,160	303,767
Golf Tournament	135,426	201,574
Other Fundraisers	95,090	84,442
	1,130,462	768,869
Expenses		
Makua	74,587	84,635
Starry Night	198,461	83,184
Golf Tournament	50,122	46,386
Other Fundraisers	29,676	18,185
	352,846	232,390
Special Events Income	\$ 777,616	\$ 536,479

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets consisted of the following at June 30, 2008 and June 30, 2007:

	2008	2007
Pledges Receivable	\$ 108,000	\$ -
Children's Assistance Fund	44,581	26,452
	\$ 152,581	\$ 26,452

NOTE 12 COMMITMENTS

The Organization leases its premises under an agreement that extends to October 31, 2008. Effective June 1, 2005, the base monthly rent was \$8,907, and incurred annual increases of approximately 3% for the next four years. Rent expense for 2008 and 2007 was approximately \$137,000 and \$125,000, respectively; which includes \$23,328 and \$22,608 of donated office space from the Juvenile Court. The Organization expects that the Juvenile Court will make such in-kind donations in the future.

During 2008, the Organization signed a new lease agreement with a lease term of 8 years with a target move in date of November 2008.

The Organization also leases equipment under an operating lease that extends through September, 2010. Payments under this lease are \$113 per month.

Minimum future payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year for the years ended June 30 are as follows:

2008	\$ 115,853
2009	381,092
2010	340,803
2011	340,803
Thereafter	1,697,574
	\$ 2,876,125