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STATE AUDITOR

Child & Family Support Center of Cache County, Inc.

Year Ended June 30, 2006

Financial Statements

And

Independent Auditor's Report

With Supplementary Information

And

Compliance Reports

SHAW/MUMFORD AND CO. P.C.

Child & Family Support Center of Cache County, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Child & Family Support Center of Cache County, Inc.
Logan, UT

We have audited the accompanying statement of financial position of Child & Family Support Center of Cache County, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2005 financial statements and, in our report dated November 11, 2005, we expressed an unqualified opinion on those financial statements.

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. 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 that 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 Child & Family Support Center of Cache County, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year 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 September 5, 2006 on our consideration of Child & Family Support Center of Cache County, Inc.'s internal control over financial reporting and 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.

Shaw Mumford & Co., P.C.

Bountiful, Utah
September 5, 2006

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Child & Family Support Center of Cache County, Inc.

Statement of Financial Position
June 30, 2006
With Comparative Totals For June 30, 2005

	6/30/2006	6/30/2005
ASSETS		
Current assets		
Cash and cash equivalents	$ 68,039	$ 134,385
Accounts and grants receivable	26,494	16,235
Total current assets	94,533	150,620
Fixed assets, at cost		
Land	25,429	25,429
Buildings	189,048	189,048
Furniture and equipment	55,247	55,247
Building addition	352,535	-
Construction in process	-	156,940
Total fixed assets	622,259	426,664
Less accumulated depreciation	(167,834)	(152,793)
Net fixed assets	454,425	273,871
Total assets	$ 548,958	$ 424,491
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ -	$ -
Accrued liabilities	9,121	6,100
Current portion of long-term debt	11,482	-
Total current liabilities	20,603	6,100
Long-term debt	57,281	-
Total liabilities	77,884	6,100
Net assets		
Unrestricted	471,074	380,463
Temporarily restricted	-	37,928
Permanently restricted	-	-
Total net assets	471,074	418,391
Total liabilities and net assets	$ 548,958	$ 424,491

See accompanying notes to financial statements.

Child & Family Support Center of Cache County, Inc.

Statement of Activities
Year Ended June 30, 2006
With Comparative Totals For The Year Ended June 30, 2005

	6/30/2006				
	Unrestricted	Temporarily Restricted	Permanently Restricted	6/30/2006 Total	6/30/2005 Total
REVENUES AND SUPPORT					
Utah Division of Child & Family Services	$ 203,464	$ -	$ -	$ 203,464	$ 185,574
Contributions	72,935	-	-	72,935	12,119
Volunteer services	67,906	-	-	67,906	67,106
VOCA	37,308	-	-	37,308	35,831
CDBG grant	26,344	-	-	26,344	113,656
Somebody's Attic	19,000	-	-	19,000	37,000
Fundraising event	10,404	-	-	10,404	-
United Way	10,016	-	-	10,016	8,839
Other government grants	8,318	-	-	8,318	6,240
Interest income	2,247	-	-	2,247	345
Net assets released from restrictions	37,928	(37,928)	-	-	-
	495,870	(37,928)	-	457,942	466,710
EXPENSES					
Program services	342,444	-	-	342,444	281,587
Administrative	30,395	-	-	30,395	24,992
Fundraising	32,420	-	-	32,420	26,658
	405,259	-	-	405,259	333,237
Change in net assets	90,611	(37,928)	-	52,683	133,473
Net assets, beginning of year	380,463	37,928	-	418,391	284,918
Net assets, end of year	$ 471,074	$ -	$ -	$ 471,074	$ 418,391

See accompanying notes to financial statements.

Child & Family Support Center of Cache County, Inc.

Statement of Functional Expenses
Year Ended June 30, 2006
With Comparative Totals For The Year Ended June 30, 2005

	6/30/2006				
	Program Services	Management and General	Fundraising	6/30/2006 Total	6/30/2005 Total
Salaries and wages	$ 165,113	$ 14,655	$ 15,632	$ 195,400	$ 175,938
Payroll taxes	17,140	1,521	1,623	20,284	15,952
Employee benefits	25,168	2,234	2,383	29,785	27,924
Total salaries and related expenses	207,421	18,410	19,638	245,469	219,814
Volunteer services	57,381	5,093	5,432	67,906	44,981
Office supplies	17,623	1,564	1,668	20,855	12,282
Telephone	7,317	650	693	8,660	9,910
Miscellaneous	7,006	622	663	8,291	8,357
Auditing, legal, architect	6,473	575	613	7,661	2,650
Maintenance supplies	5,844	519	553	6,916	3,499
Insurance	5,688	505	539	6,732	5,743
Utilities	4,423	393	419	5,235	4,665
Travel	3,597	319	340	4,256	6,238
Interest	2,718	241	257	3,216	-
Bank charges	1,379	122	131	1,632	312
Licenses	766	68	73	907	683
Workshop expense	634	56	60	750	1,505
Food	634	56	60	750	1,268
Training	542	48	51	641	1,931
Bookkeeping	288	26	27	341	477
Total expenses before depreciation	329,734	29,267	31,217	390,218	324,315
Depreciation	12,710	1,128	1,203	15,041	8,922
Total expenses	$ 342,444	$ 30,395	$ 32,420	$ 405,259	$ 333,237

See accompanying notes to financial statements.

Child & Family Support Center of Cache County, Inc.

Statement of Cash Flows
Year Ended June 30, 2006
With Comparative Totals For The Year Ended June 30, 2005

	6/30/2006	6/30/2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 52,683	$ 133,473
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,041	8,922
Changes in current assets and liabilities:		
Accounts and grants receivable	(10,258)	(293)
Accrued liabilities	3,021	(911)
Net cash provided by operating activities	60,487	141,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(195,596)	(156,940)
Net cash (used in) investing activities	(195,596)	(156,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	68,763	-
Net cash provided by financing activities	68,763	-
Net change in cash	(66,346)	(15,749)
Cash and cash equivalents, beginning of year	134,385	150,134
Cash and cash equivalents, end of year	$ 68,039	$ 134,385
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -

See accompanying notes to financial statements.

Child & Family Support Center of Cache County, Inc.

Notes to Financial Statements
June 30, 2006

1. ORGANIZATION AND HISTORY

The Child & Family Support Center of Cache County, Inc. was incorporated under the laws of the State of Utah as a nonprofit corporation on June 1, 1983. The Organization provides the following services which are outlined in its charter: child abuse prevention services, crisis care for children and parents in distress, parenting classes, support groups, and other prevention programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations" and SFAS No. 116, "Accounting for Contributions Received and Contributions Made."

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.

b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.

c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

Fixed Assets and Depreciation

The Organization follows the practice of capitalizing all expenditures for fixed assets in excess of $1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets, which range from five to thirty-two years. Depreciation expense for the year ended June 30, 2006 was $15,041.

Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Income taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2006.

Donated services

Volunteers and advisors have donated substantial time in assisting the Organization in achieving the goals of its programs. Amounts applicable to donated services that meet the requirements of SFAS No. 116 have been included in the accompanying financial statements.

Government Funding

Funding from all government sources is considered to be unrestricted as long as it is expended under contract guidelines and is expended in the period for which it is contracted.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2006, $34,385 exceeded the FDIC insurance limit of $100,000, and therefore was not insured. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash.

The Organization receives a significant amount of its funding from government sources. Decreases in this government support would have an adverse effect upon the Organization.

Functional Allocation of 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.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2006, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Reclassifications

Certain items from June 30, 2005 have been reclassified to conform to the June 30, 2006 presentation.

3. LONG-TERM DEBT

On August 25, 2005, the Organization entered into a fifteen-year promissory note with a financial institution for permanent financing on the new addition to its facility. The amount of the promissory note was $76,088 and bears an annual interest rate of 6.375%. This rate will be adjusted on August 25, 2010 in accordance with the prevailing interest rates at those dates. The maximum rate will not exceed 9%. The amount outstanding as of June 30, 2006 was $68,763.

Future maturities of long-term debt are as follows:

Year ending	
6/30/2007	$ 11,482
6/30/2008	12,235
6/30/2009	13,039
6/30/2010	13,895
6/30/2011	14,806
Thereafter	3,306
	$ 68,763

Total interest expense for the year ended June 30, 2006 was $3,216.

4. RETIREMENT PLAN

The Organization has established a Simplified Employee Pension plan for the benefit of its salaried employees. Eligible employees receive an annual contribution as a percentage of their salary, depending on length of service, to be deposited in the individual's retirement account. Retirement expense for the year ended June 30, 2006 was $0.

5. UTAH DIVISION OF CHILD AND FAMILY SERVICES

The individual contracts and grants received from the Utah Division of Child and Family Services for the year ended June 30, 2006 were as follows:

Crisis/Respite Nursery	$ 101,927
Safe and Stable Families	50,000
Outreach	20,000
Children's Trust	16,287
State Shelter	15,250
	$ 203,464

6. PRIOR YEAR INFORMATION

The financial statements for the year ended June 30, 2005 are presented for comparative purposes only. The notes presented herein contain information relating to June 30, 2006 only. Please refer to the June 30, 2005 audited financial statements for information relating to the notes for the prior year.

SUPPLEMENTARY INFORMATION

AND

COMPLIANCE REPORTS

SHAW/MUMFORD
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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
Child & Family Support Center of Cache County, Inc.
Logan, UT

We have audited the financial statements of Child & Family Support Center of Cache County, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated September 5, 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 Child & Family Support Center of Cache County, Inc.'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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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 Child & Family Support Center of Cache County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 audit 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.

Shaw Mumford & Co., P.C.

Bountiful, Utah
September 5, 2006

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REPORT ON COMPLIANCE WITH STATE OF UTAH
LEGAL COMPLIANCE AUDIT GUIDE

The Board of Directors
Child & Family Support Center of Cache County, Inc.
Logan, UT

We have audited the financial statements of Child & Family Support Center of Cache County, Inc. (a nonprofit organization) for the year ended June 30, 2006 and have issued our report thereon dated September 5, 2006. As part of our audit, we have audited Child & Family Support Center of Cache County, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State award program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006. Child & Family Support Center of Cache County, Inc. received the following major State assistance program from the State of Utah:

Crisis Nursery/Respite Care (Utah Department of Human Services)

Child & Family Support Center of Cache County, Inc. also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Child & Family Support Center of Cache County, Inc.'s financial statements.)

Outreach/Parent Advocate (Utah Department of Human Services)
Safe & Stable Families (Utah Department of Human Services)
Children's Trust Account Funds (Utah Department of Human Services)
State Shelter Care (Utah Department of Human Services)

The management of Child & Family Support Center of Cache County, Inc. is responsible for its compliance with the compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Child & Family Support Center of Cache County, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Child & Family Support Center of Cache County, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State assistance program for the year ended June 30, 2006.

Shaw Mumford & Co., P.C.

Bountiful, Utah
September 5, 2006

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