

# Children's House of Nashville, Inc.

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Financial Statements

May 31, 2012

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*McKerley & Noonan, P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

To the Board of Directors of  
Children's House of Nashville, Inc.  
Nashville, TN

We have audited the accompanying statement of financial position of Children's House of Nashville, Inc. (a non-profit organization) as of May 31, 2012, and the related statements of activities and changes in net assets, cash flows and functional expenses 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 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 Children's House of Nashville, Inc. as of May 31, 2012, 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.

*McKerley & Noonan*

McKerley & Noonan, P.C.  
November 3, 2012

Children's House of Nashville, Inc.  
Statement of Financial Position  
May 31, 2012

Assets

**Current Assets:**

Cash in Bank	\$	287,407
Receivables		43,838
Inventory		687
<b>Total Current Assets</b>		<b>331,931</b>

**Fixed Assets:**

Land		75,078
Buildings and Improvements		1,327,524
Furniture & Equipment		95,870
Construction in Progress		6,079
Less: Accumulated Depreciation		(566,953)
<b>Net Fixed Assets</b>		<b>937,597</b>

<b>Total Assets</b>	<b>\$</b>	<b>1,269,528</b>
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Liabilities and Net Assets

**Current Liabilities:**

Accounts Payable and Accrued Expenses	\$	2,283
Prepaid Tuition		71,075
Accrued Payroll		39,839
<b>Total Current Liabilities</b>		<b>113,197</b>

**Net Assets:**

Unrestricted Net Assets		1,156,331
Temporarily Restricted Net Assets		-
<b>Total Net Assets</b>		<b>1,156,331</b>

<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>1,269,528</b>
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Children's House of Nashville, Inc.  
Statement of Activities and Changes in Net Assets  
For the Year Ended May 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Support:</b>			
Tuition and Fees	\$ 806,047	\$ -	\$ 806,047
Contributions	136,451	-	136,451
Other Income	9,705	-	9,705
Net assets released from Restriction	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Support</b>	<u>952,202</u>	<u>-</u>	<u>952,202</u>
<b>Expenses:</b>			
Program Services	678,231	-	678,231
Fundraising	55,764	-	55,764
General and Administrative	<u>113,731</u>	<u>-</u>	<u>113,731</u>
<b>Total Expenses</b>	<u>847,726</u>	<u>-</u>	<u>847,726</u>
<b>Change in Net Assets</b>	104,476	-	104,476
<b>Net Assets, Beginning of the Year</b>	<u>1,051,855</u>	<u>-</u>	<u>1,051,855</u>
<b>Net Assets - End of the Year</b>	<u>\$ 1,156,331</u>	<u>\$ -</u>	<u>\$ 1,156,331</u>

Children's House of Nashville, Inc.  
Statement of Cash Flows  
For the Year Ended May 31, 2012

<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ 104,476
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>	
Depreciation	40,164
(Increase) Decrease in Accounts Receivable	(19,214)
(Increase) Decrease in Other Assets	7,900
Increase (Decrease) in Accounts Payable and Other Liabilities	<u>(1,159)</u>
<b>Total Adjustments</b>	<u>27,691</u>
<b>Net Cash Provided by Operating Activities</b>	132,168
 <b>Cash Flows from Investing Activities</b>	
Purchase of Fixed Assets	<u>(11,807)</u>
<b>Net Cash Used for Investing Activities</b>	(11,807)
 Net Increase in Cash	120,361
 Cash, Beginning of the Year	<u>167,046</u>
 Cash, End of Year	<u><u>\$ 287,407</u></u>
 <b>Supplemental Cash Flow Information:</b>	
Interest Paid	\$ -

Children's House of Nashville, Inc.  
Statement of Functional Expenses  
For the Year Ended May 31, 2012

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Benefits	\$ 476,219	\$ 106,761	\$ 30,942	\$ 613,922
Independent Contractors	3,594	1,666	-	5,260
Office and Classroom Expenses	32,101	1,607	967	34,675
Occupancy Expenses	78,194	2,468	-	80,662
Travel and Professional Development	16,107	-	-	16,107
Fundraising Event Expense	-	-	23,855	23,855
Tuition Assistance	26,002	-	-	26,002
Depreciation	38,935	1,229	-	40,164
Other Expense	7,079	-	-	7,080
<b>Total Functional Expenses</b>	<u>\$ 678,231</u>	<u>\$ 113,731</u>	<u>\$ 55,764</u>	<u>\$ 847,726</u>