

PREVENT CHILD ABUSE TENNESSEE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2007

PREVENT CHILD ABUSE TENNESSEE

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BELLENFANT + MILES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Prevent Child Abuse Tennessee
Nashville, Tennessee

We have audited the accompanying statement of financial position of Prevent Child Abuse Tennessee, as of June 30, 2007, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Prevent Child Abuse Tennessee. 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 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 Prevent Child Abuse Tennessee, as of June 30, 2007, 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.

Bellenfant & Miles, P.C.

December 13, 2007

PREVENT CHILD ABUSE TENNESSEE
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2007

ASSETS

Current Assets:

Cash	\$ 3,213
Unconditional promises to give	11,166
Accounts receivable	<u>9,589</u>
Total Current Assets	<u>23,968</u>

Furniture and Equipment:

Furniture and equipment	28,346
Less: accumulated depreciation	<u>26,647</u>
Net Furniture and Equipment	<u>1,699</u>
TOTAL ASSETS	<u><u>\$ 25,667</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	1,535
Net Assets, unrestricted	<u>24,132</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 25,667</u></u>

The accompanying notes are an integral part of these financial statements.

PREVENT CHILD ABUSE TENNESSEE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

SUPPORT AND REVENUE:	<u>Total</u>
Tennessee Department of -	
Children Services	\$ 141,867
Finance and Administration	
Office of Criminal Programs	45,000
In-Kind Services	44,031
VOCA Helpline	34,248
Contributions	83,692
Kappa Delta	23,634
Fees for Services	30,446
Fundraising	<u>54,336</u>
 Total Support and Revenue	 <u>457,254</u>
 EXPENSES:	
 Program Services:	
Parent Support Groups	90,134
Parent Helpline	93,065
Parent Pathway	98,385
Parent Awareness	<u>128,004</u>
 Total Program Services	 <u>409,588</u>
 Support Services:	
Administration	33,448
Fundraising	<u>10,802</u>
 Total Support Services	 <u>44,250</u>
 Total Expenses	 <u>453,838</u>
 Change in Net Assets	3,416
 Net Assets, July 1, 2006	 <u>20,716</u>
 Net Assets, June 30, 2007	 <u>\$ 24,132</u>

The accompanying notes are an integral part of these financial statements.

PREVENT CHILD ABUSE TENNESSEE
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	Program Services					Support Services			
	Support Groups	Parent Helpline	Parent Pathway	Awareness	Total Program Services	Administration	Fund Raising	Total Support Services	Total All Funds
Salaries	\$ 42,533	\$ 51,633	\$ 44,814	\$ 56,287	\$ 195,267	\$ 18,611	\$ -	\$ 18,611	\$ 213,878
In Kind Salaries	11,350	9,981	11,350	11,350	44,031	-	-	-	44,031
Fringe Benefits	6,726	7,109	6,639	8,111	28,585	(206)	104	(102)	28,483
Professional Fees	1,324	-	1,323	2,647	5,294	9,682	1,542	11,224	16,518
Supplies	2,457	328	3,143	4,736	10,664	917	2,095	3,012	13,676
Telephone	3,674	12,726	3,674	5,009	25,083	(20)	-	(20)	25,063
Postage	246	715	246	454	1,661	-	-	-	1,661
Rent	5,710	1,961	5,710	7,573	20,954	-	250	250	21,204
Equipment & Maintenance	1,557	341	1,557	2,338	5,793	-	-	-	5,793
Printing	1,869	2,634	3,723	4,909	13,135	-	1,875	1,875	15,010
Travel/Conferences/Meetings	8,667	404	10,034	15,381	34,486	523	-	523	35,009
Insurance	256	5,233	256	513	6,258	355	-	355	6,613
Other	3,765	-	3,116	5,896	12,777	1,889	4,936	6,825	19,602
Scholarships	-	-	2,800	2,800	5,600	-	-	-	5,600
Total Expenses Before Depreciation	90,134	93,065	98,385	128,004	409,588	31,751	10,802	42,553	452,141
Depreciation	-	-	-	-	-	1,697	-	1,697	1,697
Total Expenses	<u>\$ 90,134</u>	<u>\$ 93,065</u>	<u>\$ 98,385</u>	<u>\$ 128,004</u>	<u>\$ 409,588</u>	<u>\$ 33,448</u>	<u>\$ 10,802</u>	<u>\$ 44,250</u>	<u>\$ 453,838</u>

The accompanying notes are an integral part of this statement.

PREVENT CHILD ABUSE TENNESSEE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 3,416
Adjustments to reconcile to net cash provided by operations	
Depreciation	1,697
(Increase) decrease in assets:	
Unconditional promises to give	6,717
Accounts receivable	(1,706)
Prepaid expenses	2,954
Increase (decrease) in:	
Accounts payable	<u>(10,034)</u>
Net cash provided by operating activities	<u>3,044</u>
NET INCREASE IN CASH	3,044
Cash, July 1, 2006	<u>169</u>
Cash, June 30, 2007	<u><u>\$ 3,213</u></u>

The accompanying notes are an integral part of these financial statements.

PREVENT CHILD ABUSE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose:

Prevent Child Abuse Tennessee is a private, nonprofit agency located in Nashville, Tennessee. The Agency provides services aimed at preventing the occurrence or continuation of child abuse. These services consist of parent support groups, a statewide toll-free parent helpline, and pairing of trained volunteers with new families at a high risk for child abuse. All services are available at no charge. Principal funding is provided by Tennessee Department of Human Services. Agency operations are conducted by the executive director and staff under the guidance of the board of directors.

Basis of Presentation:

Prevent Child Abuse Tennessee prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting.

Revenue Recognition:

Contributions and grants restricted by the donor, grantor, or other outside parties for particular operating purposes are deemed to be earned and reported as revenues when the Agency has incurred expenditures in compliance with the specific restrictions.

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.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Office Space:

Prevent Child Abuse Tennessee leases office space on a month-to-month basis. Rent expense for the year ended June 30, 2007 was \$21,024.

PREVENT CHILD ABUSE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

Property and Equipment:

Disbursements for equipment with a unit cost in excess of \$500 are capitalized and reflected in the balance sheet at cost. Expenditures for additions are capitalized while those for maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful life of each item and is reflected as an expense in the statement of activities. Donated items are recorded at estimated fair market value.

2. FEDERAL INCOME TAX STATUS

The Agency has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of receivables from programs funded by the State of Tennessee.

Tennessee Department of Children's Services	\$ 6,778
Tennessee Department of Finance and Administration	4,388
	<u>\$ 11,166</u>

4. FUNDING

The Agency receives a substantial amount of support from the Tennessee Department of Children's Services and Tennessee Department of Finance and Administration's Office of Criminal Justice Programs for operations. A major reduction of funds by the grantor agency, should this occur, may have a significant effect on future operations.

5. IN-KIND SUPPORT AND DONATIONS

Salaries

The Agency received a significant amount of volunteer services. Since these services were an integral part of the Agency's programs and would otherwise have been performed by salaried personnel, the estimated value of these services have been recorded as in-kind revenues and expenses.