

## JIM R. DURHAM CPA PLLC

Nashville Office:  
171- B Belle Forest Circle  
Nashville, TN 37221  
Phone 615.662.2808  
Fax: 615.627.0163  
Email: Jim@JimDurhamCPA.com  
Website: www.JimDurhamCPA.com

Dickson Office:  
318 E College Street, Ste 306  
Dickson, TN 37055  
615.441.5175  
615.441.5211  
Dickson@JimDurhamCPA.com

### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

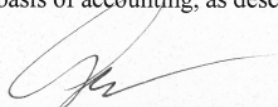
To the Board of Directors  
Nashville Area Association for the Education of Young Children  
Nashville, TN

I have reviewed the accompanying statement of assets, liabilities, and net assets-modified cash basis of Nashville Area Association for the Education of Young Children (a nonprofit organization) as of December 31, 2014, and the related statement of revenues, expenses, and changes in net assets-modified cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in note A.

  
Jim R. Durham, CPA PLLC  
May 13, 2015

Jim Durham, Registered Representative, Securities offered through H.D. Vest Investment Services<sup>SM</sup>, Member: SIPC,  
Advisory Services offered through H.D. Vest Advisory Services<sup>SM</sup>



Jim Durham CPA PLLC is not a registered broker/dealer or independent investment advisory firm



**NASHVILLE AREA ASSOCIATION FOR  
THE EDUCATION OF YOUNG CHILDREN**  
**Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis**  
**As of December 31, 2014**

<b>ASSETS</b>	<b>2014</b>
Current Assets	
Cash	\$ 76,419
Total Current Assets	<u>76,419</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 76,419</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
Liabilities	
Credit Card Liabilities	\$ 722
Payroll Liabilities	<u>-</u>
Total Liabilities	<u>722</u>
Net Assets	
Temporarily Restricted Net Assets	-
Unrestricted Net Assets	<u>75,697</u>
Total Net Assets	<u>75,697</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 76,419</u></u>

See accompanying notes and accountant's report.

**NASHVILLE AREA ASSOCIATION FOR  
THE EDUCATION OF YOUNG CHILDREN**  
**Statement of Revenue, Expenses, and**  
**Change in Net Assets - Modified Cash Basis**  
**For the year ending December 31, 2014**

	<b>2014</b>
<b>Revenue</b>	
ECE Conference Income	\$ 35,730
Membership Dues	5,095
Membership Half Price Offer	3,669
Membership Meetings	1,685
Director's Day	120
Interest Income	74
Total Revenue	<u>46,373</u>
<b>Expenses</b>	
Accounting Services	1,500
Bank Charges	681
Board Care Fund	1,120
Bulk Mailing	293
Children's Champion	434
Computer Software	45
Director's Day	629
ECE Conference Expense	16,120
Facility Enhancement Grant	1,620
Insurance	914
Legal Expense and Permits	418
Meals and Entertainment	25
Member Meetings	2,081
Membership Fees	6,462
Newsletter	2,232
Office Administrator Salary	13,528
Office Supplies	135
Payroll Taxes	1,035
Postage	27
Professional Development	2,804
Rent	805
Scholarships	38
Student Membership Discount	432
TAEYC Donation	250
Travel	7

See accompanying notes and accountant's report.

Telephone	1,487
Web Page	276
Week of the Young Child	200
Total Expenses	<u>55,598</u>
<b>Increase (decrease) in Net Assets</b>	(9,225)
<b>Net Assets, beginning of year</b>	<u>84,922</u>
<b>Net Assets, end of year</b>	<u><u>\$ 75,697</u></u>

See accompanying notes and accountant's report.

**Nashville Area Association for the Education of Young Children**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2014**

**A. Summary of Significant Accounting Policies**

**Nature of Activities**

The NAAEYC provides training and printed materials and coordinates workshops for daycare providers and counselors.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Modifications to the cash basis of accounting include accruing for payroll taxes. Depreciation is not recorded with this method of accounting. It would be recorded if the Organization were using generally accepted accounting principles.

**Income Taxes**

The Organization is nonprofit and tax-exempt under section 501(c) 3 of the Internal Revenue Code of 1986.

The Financial Standards Board (FASB) issued Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with Statement No. 109, "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification, on the statement of position, interest and penalties, accounting in interim periods, disclosure and transition. Management believes the Nashville Area Association for the Education of Young Children has no activities which lead to income taxes being levied.

The tax years 2012, 2013 and 2014 remain open to assessment by all major tax jurisdictions.

**Property and Equipment**

It is the Organization's policy to expense equipment purchases in the year the expenditures are made.



#### **A. Significant Accounting Policies - (Continued)**

##### **Money Market Account**

The Organization maintains its short-term investment in a money market account. The investment is with a financial institution located in Nashville, Tennessee and is insured by the Federal Deposit Insurance Corporation up to \$250,000.

##### **Donated Services**

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's efforts.

##### **Compensated Absences**

Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees.

##### **B. Leases**

The Organization leases storage space. Total rent expense under this lease amounted to \$805 in 2014. The lease agreement is renewed on an annual basis.

##### **C. Temporarily Restricted Net Assets**

There are no temporarily restricted net assets.

##### **D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.