

NASHVILLE CONFLICT RESOLUTION CENTER

**INDEPENDENT AUDITORS' REPORT and
FINANCIAL STATEMENTS**

JUNE 30, 2010 and 2009

NASHVILLE CONFLICT RESOLUTION CENTER

INDEPENDENT AUDITORS' REPORT and FINANCIAL STATEMENTS

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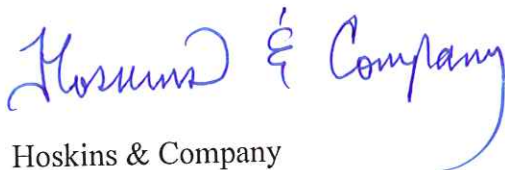
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nashville Conflict Resolution Center
4732 W. Longdale Drive
Nashville, TN 37211

We have audited the accompanying statement of financial position of *Nashville Conflict Resolution Center* (a not-for-profit organization) as of June 30, 2010 and June 30, 2009, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of *Nashville Conflict Resolution Center's* management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards 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 statements 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 *Nashville Conflict Resolution Center* as of June 30, 2010 and June 30, 2009 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.



Hoskins & Company
November 15, 2010

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

Assets

	2010	2009
Current assets		
Cash and cash equivalents	\$ 55,870	\$ 36,721
Prepaid expenses	2,230	2,170
Accounts receivable	5,718	5,318
Total current assets	<u>63,818</u>	<u>44,209</u>
Property and equipment		
Property & equipment (Net of accumulated depreciation)	298	753
Total property and equipment	<u>298</u>	<u>753</u>
Total assets	<u>\$ 64,116</u>	<u>\$ 44,962</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 73	\$ 173
Accrued vacation payables	3,200	3,200
Total current liabilities	3,273	3,373
Net assets - unrestricted	60,843	41,485
Net assets - temporarily restricted	<u>-</u>	<u>104</u>
Total liabilities and net assets	<u>\$ 64,116</u>	<u>\$ 44,962</u>

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Support and Revenue		
Unrestricted net assets		
Public support and revenue		
Unrestricted contributions	\$ 6,956	\$ 5,538
Program service revenue	180,459	107,843
Total public support and revenues	<u>187,415</u>	<u>113,381</u>
Net asset released from restriction	<u>104</u>	<u>1,007</u>
Total support and revenues	<u>187,519</u>	<u>114,388</u>
Expenses		
Operating expenses		
General & administrative	18,583	9,543
Program	142,478	73,135
Fundraising	7,100	3,545
Total operating expenses	<u>168,161</u>	<u>86,223</u>
Temporarily restricted contributions		
Net asset released from restriction	<u>(104)</u>	<u>(1,007)</u>
Changes in temporarily restricted net assets	<u>(104)</u>	<u>(1,007)</u>
Increase in net assets	19,254	27,158
Net assets, beginning of year	41,589	14,431
Net assets, end of year	<u>\$ 60,843</u>	<u>\$ 41,589</u>

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities		
Increase in net assets	\$ 19,254	\$ 27,158
Adjustments to reconcile change in net assets to net cash(used) provided by operating activities:		
Depreciation	455	720
(Increase) Decrease in accounts receivable	(400)	2,497
(Increase) Decrease in prepaid expenses	(60)	153
Decrease in accounts payable	(100)	(1,127)
Increase in accrued vacation payables	-	1,920
Net cash provided by operating activities	19,149	31,321
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net Increase in cash and cash equivalents	19,149	31,321
Cash and cash equivalents, beginning of year	36,721	5,400
Cash and cash equivalents, end of year	\$ 55,870	\$ 36,721

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	<u>General & Administrative</u>	<u>Program Expense</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salary expenses	\$ 11,015	\$ 93,599	\$ 5,503	\$ 110,117
Payroll taxes	821	6,988	411	8,220
Employee benefits	349	2,964	174	3,487
Depreciation	68	387	-	455
License & fees	37	335	-	372
Office equipment	498	1,865	126	2,490
Membership and subscriptions	125	660	40	825
Office supplies	398	1,497	99	1,994
Meal expenses	530	3,002	-	3,532
Meeting expenses	335	668	-	1,003
Storage space rental	885	5,015	-	5,900
Marketing	61	1,034	51	1,146
Payroll processing fee	104	870	52	1,026
Miscellaneous	48	809	41	898
Postage	116	603	39	757
Printing and reproduction	59	414	-	473
Insurance	797	7,167	-	7,964
Telephone service	194	3,494	198	3,886
Professional development	628	1,253	-	1,881
Professional fees - accounting	725	2,706	169	3,600
Professional fees - audit services	790	2,963	197	3,950
Volunteer mediation training	-	4,185	-	4,185
Total expenses	<u>\$ 18,583</u>	<u>\$ 142,478</u>	<u>\$ 7,100</u>	<u>\$ 168,161</u>

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

	<u>General & Administrative</u>	<u>Program Expense</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salary expenses	\$ 4,585	\$ 38,957	\$ 2,291	\$ 45,833
Payroll taxes	440	3,742	220	4,402
Employee benefits	503	4,276	252	5,031
Depreciation	108	612	-	720
License & fees	52	464	-	516
Office equipment	244	913	62	1,219
Membership and subscriptions	46	246	15	307
Office supplies	423	1,587	104	2,114
Meal expenses	257	1,452	-	1,709
Storage space rental	486	2,752	-	3,238
Marketing	131	2,198	108	2,437
Payroll processing fee	128	1,070	64	1,262
Miscellaneous	107	1,806	89	2,002
Postage	95	492	32	619
Printing and reproduction	189	1,325	-	1,514
Insurance	153	1,380	-	1,533
Telephone service	51	920	52	1,023
Professional fees - training	494	986	-	1,480
Professional fees - accounting	411	1,533	96	2,040
Professional fees - audit services	640	2,400	160	3,200
Volunteer mediation training	-	4,024	-	4,024
Total expenses	<u>\$ 9,543</u>	<u>\$ 73,135</u>	<u>\$ 3,545</u>	<u>\$ 86,223</u>

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

**NASHVILLE CONFLICT RESOLUTION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1---SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Nashville Conflict Resolution Center (the "Organization") is a not-for-profit organization chartered under the laws of the State of Tennessee on August 14, 2000. The organization is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. The Organization operates as a philanthropic entity seeking to improve the lives of Nashville residents, particularly those in underserved communities or otherwise disadvantaged in the judicial system, by providing pro bono or low cost mediation services by teaching effective, nonviolent conflict resolution skills.

Basis of Accounting

The financial statements for the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any permanently restricted net assets.

Donated Services

Several individuals have contributed significant amount of time to the Organization without compensation. The financial statements do not reflect the value of those contributed services because no reliable basis exists for determining an appropriate amount.

Revenue, Support, and Expenses

The Organization receives its contributions from foundations, its members, and other individuals, and recognizes revenue when cash or a firm promise to give is obtained.

Contributions received are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**NASHVILLE CONFLICT RESOLUTION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Use of 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 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a tax-exempt entity under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income tax is considered necessary.

Fixed Assets

Disbursements for property and equipment, consisting of office equipment and furniture, are reflected in the statement of financial position at cost. Donated assets with donor stipulations as to specific purpose(s) are reported as restricted contribution until it is placed in the service for which it is restricted. Depreciation, which is reflected as an expense in the statement of activities, is computed on the straight-line method over the over the following estimated useful lives:

	<u>Years</u>
Machinery and equipment	3—10
Furniture and fixtures	3—10

Functional Expenses

Management allocates expenses on a functional basis among its various programs, including support services and fundraising activities. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

**NASHVILLE CONFLICT RESOLUTION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 2---PROPERTY AND EQUIPMENT

Depreciation expense as of June 30, 2010 and June 30, 2009 was \$455 and \$720 respectively. A summary of Property and equipment as of June 30, 2010 and 2009 were as follows.

	<u>2010</u>	<u>2009</u>
Office equipment	\$ 5,749	\$ 5,749
Library – training materials	3,110	3,110
Furniture	<u>3,079</u>	<u>3,079</u>
	11,938	11,938
Less: accumulated depreciation	<u>(11,640)</u>	<u>(11,185)</u>
Property and equipment, net	<u>\$ 298</u>	<u>\$ 753</u>

NOTE 3---SUBSEQUENT EVENTS

The Organization did not have any subsequent events through November 15, 2010, which is the date the financial statements are available to be issued for events requiring recording or disclosure in the financial statements for the fiscal period ended June 30, 2010.