

**CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**Year ended June 30, 2017**

>>>>>>>>>CONTENTS<<<<<<<<<

Accountants' Compilation Report.....	Page 3
Financial Statements	
Statement of Financial Position.....	4
Statement of Activities and Changes in Net Assets.....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8
Supplementary Information	
Schedule of Officers and Directors.....	12

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To the Board of Directors  
Children's Advocacy Center for the 31<sup>st</sup> Judicial District, Inc.

Management is responsible for the accompanying financial statements of Children's Advocacy Center for the 31<sup>st</sup> Judicial District (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

## Supplementary Information

The supplementary information contained in page 12 is presented for purposes of additional analysis and is not required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

*Denning & Cantrell*

Certified Public Accountants

McMinnville, Tennessee  
September 1, 2017

## CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETSCURRENT ASSETS

Cash - unrestricted	\$	99,586
Certificate of Deposit		67,776
Grants and other receivables		30,920
Interest receivable		128
Prepaid insurance		2,525

TOTAL CURRENT ASSETS	200,935
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PROPERTY AND EQUIPMENT

Land	96,599	
Building	249,569	
Furniture and fixtures	40,456	
	386,624	
Less accumulated depreciation	82,588	304,036

OTHER ASSET

Utility deposit		50
		505,021

LIABILITIES AND NET ASSETSCURRENT LIABILITIES

Accounts payable		2,736
Accrued payroll taxes		2,059
Accrued payroll		4,553
Accrued interest		518
Accrued compensated absences		4,221
Current portion of long term debt		4,233

TOTAL CURRENT LIABILITIES	18,320
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LONG-TERM DEBT

Note payable	158,991	
Less amount shown as current	4,233	154,758

TOTAL LIABILITIES	173,078
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NET ASSETS

Unrestricted		331,943
	\$	505,021

See Accountants' Compilation Report and Notes to Financial Statements.

CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Revenues and other support:		
Fundraising events (net of expenses of \$ 3,539)	\$ 35,800	
Governmental grant income	81,530	
Contributions	62,826	
Victims assistance assessment	43,467	
In-Kind contributions	16,862	
Interest income	423	\$ 4
Miscellaneous	350	
Total Revenue	241,258	4
Expenses:		
Program services:		
Children's services	170,405	1,933
Support services -		
Management and general	42,245	
Total Expenses	212,650	1,933
Excess (Deficiency) of Revenues over Expenses	28,608	(1,929)
Net assets at July 1, 2016	303,335	1,929
Net assets at June 30, 2017	\$ <u>331,943</u>	\$ <u>0</u>

Depreciation of property and equipment for the year amounted to \$ 7,625

Interest incurred during the year charged to expense was \$ 6,838, none was capitalized.

See Accountants' Compilation Report and Notes to Financial Statements.

CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2017

	Program Service	Support Services	Total Expenses
	Children's Services	Management and General	
Salaries	\$ 88,723	\$ 16,902	\$ 105,625
Payroll taxes	5,874	1,293	7,167
Dues, licenses, and subscriptions	2,004		2,004
Professional services	14,020	5,850	19,870
Travel and conferences	2,716		2,716
Maintenance	1,939	485	2,424
Utilities	3,470	868	4,338
Insurance	21,652	4,706	26,358
Depreciation	6,100	1,525	7,625
Interest		6,838	6,838
Telephone	4,083		4,083
Supplies	18,885	1,380	20,265
Advertising	939		939
Postage		463	463
Contract labor		1,620	1,620
Miscellaneous		315	315
TOTAL	\$ <u>170,405</u>	\$ <u>42,245</u>	\$ <u>212,650</u>

See Accountants' Compilation Report and Notes to Financial Statements.



CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

STATEMENT OF CASH FLOWS

Year ended June 30, 2017

<b>Cash flows from operating activities:</b>		
Net increase in net assets	\$	26,679
<b>Adjustments to reconcile net increase in unrestricted net assets to net cash provided by operating activities:</b>		
Depreciation	\$	7,625
<b>(Increase) Decrease in operating assets:</b>		
Grants and other receivables		48,930
Prepaid expenses		1,673
<b>Increase ( Decrease) in operating liabilities:</b>		
Accounts payable		(625)
Accrued taxes		122
Accrued interest		(13)
Accrued expenses		3,946
		<u>61,658</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>88,337</b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment		(1,848)
Purchase of certificate of deposit		<u>(7,408)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(9,256)</b>
<b>Cash flows from financing activities:</b>		
Payments on note payable		<u>(4,057)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>75,024</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>24,562</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$</b>	<b><u>99,586</u></b>

Cash paid for interest during the year amounted to \$ 6,851, none was capitalized.

See Accountants' Compilation Report and Notes to Financial Statements.

CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS

Year ended June 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Children's Advocacy Center for the 31st Judicial District, Inc. serves to provide a comprehensive and humane response for children and families victimized by child sexual and physical abuse in its various forms in McMinnville, Tennessee and the surrounding area. The organization provides evaluation, intervention, evidence gathering, and victim advocacy for children and their non-offending family members. They also bring education and awareness of abuse to the community through school programs and civic club and other organization presentations. The Center is funded primarily through federal and state government grants.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Fixed Assets

Expenditures for property and equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Items costing less than \$500 are expensed rather than capitalized.

Tax Status

The Center is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Center is not taxed on income derived from its exempt functions. The Center has no unrelated business income. The Center had no significant deferred income tax assets or liabilities as of the end of the fiscal year.

The Center has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2014, 2015, and 2016 tax years. However, the Center is not currently under audit nor has the Center been contacted by any jurisdiction. Based on the evaluation of the Center's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended June 30, 2017.

Use of 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.



CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS

Year ended June 30, 2017

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Advertising

It is the Center's policy to expense advertising as incurred.

Net Assets

The Center is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. At the end of the year, unrestricted net assets were \$ 331,943.

Unrestricted and Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Center has been limited by donors to a specific time period or purpose. Unrestricted net assets are those whose use by the Center has not been limited by donors.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Center have been summarized on a functional basis in the statements of activity and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Contributions whose restrictions are met in the same reporting period are shown as unrestricted contributions.

**NOTE B - ADVERTISING COSTS**

The advertising costs incurred by the Association amounted to \$ 939 for the year, none of which was capitalized.

**NOTE C - CERTIFICATE OF DEPOSIT**

The Center has a certificates of deposit which matures December 16, 2017. The interest rate on this certificate is .35%.

**NOTE D - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at four financial institutions located in McMinnville, Tennessee. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$ 250,000.

CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS

Year ended June 30, 2017

NOTE E - NOTES PAYABLE

<u>Due Date</u>	<u>Amount</u>	<u>Interest Rate</u>
<u>LONG-TERM DEBT</u>		
\$ 909 monthly including interest	<u>\$ 158,991</u>	4.25%

The above amount is payable to United State Department of Agriculture and is collateralized by a building with a net book value of \$ 301,690.

Long-term debt matures as follows:

<u>Year ended June 30,</u>	
2018	\$ 4,233
2019	4,416
2020	4,607
2021	4,807
2022	5,016
Beyond five years	<u>135,912</u>
TOTAL	<u>\$ 158,991</u>

NOTE F - FUNDRAISING

Fundraising events consists primarily of revenues and expenses associated with a gala which was the Organization's primary fundraiser. Total revenue and expenses associated with fundraising activities totaled to \$ 39,339 and \$ 3,539 respectively.

NOTE G - DONATED GOODS AND SERVICES

The amount recognized for donated supplies used in children's services is \$ 6,462. This amount is included as in-kind contributions and supplies expense. In-kind services were also recognized in the amount of \$ 10,400. In-kind services were added to contracted professional services.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 6, 2017 the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

CHILDREN'S ADVOCACY CENTER FOR THE 31ST JUDICIAL DISTRICT, INC.

SCHEDULE OF OFFICERS AND DIRECTORS

Year ended June 30, 2017

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<u>Officers and Directors</u>	<u>Title</u>
Lisa Zavogiannis	President
Richard Perez	Vice President
Cassel Galligan-Davis	Secretary
Dianne Gillespie	Treasurer
Peggy Bratcher	Director
Bill Brock	Director
Ryle Chastain	Director
Ricky Hodge	Director
Shawn Perez	Director
Osvaldos Lopez	Director
Tracie McCord	Director
Jennifer Smith	Director
Beth Saunders	Director
Ray Talbert	Director
Martha Phillips	Executive Director

See Accountants' Compilation Report.