

PREVENT CHILD ABUSE TENNESSEE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2011

PREVENT CHILD ABUSE TENNESSEE

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8



BELLENFANT + MILES, PLLC
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, 2011, and the related statements of activities, functional expenses, and cash flows 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 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, 2011, 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.

December 19, 2011

Bellenfant & Miles, PLLC

PREVENT CHILD ABUSE TENNESSEE
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

ASSETS

Current Assets:

Cash	\$ 50,465
Grants receivable	<u>142,076</u>
Total Current Assets	<u>192,541</u>

Furniture and Equipment:

Furniture and equipment	29,326
Less: accumulated depreciation	<u>28,700</u>
Net Furniture and Equipment	<u>626</u>
TOTAL ASSETS	<u><u>\$ 193,167</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	1,856
Payroll tax liability	<u>713</u>
Total Current Liabilities	2,569
Net Assets, unrestricted	<u>190,598</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 193,167</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, 2011

SUPPORT AND REVENUE:

Tennessee Department of Children Services	\$ 314,203
Finance and Administration	
Office of Criminal Justice Programs	61,967
In-Kind Services	2,955
VOCA Helpline	45,000
Contributions	254,674
Kappa Delta	45,339
Infant Disparity	58,864
Fees for Services	32,915
Fundraising	32,524
Interest	828
	<hr/>
Total Support and Revenue	849,269

EXPENSES:

Program Services:

Parent Support Groups	250,681
Parent Helpline	97,377
Parent Pathway	161,218
Parent Awareness	180,401
	<hr/>
Total Program Services	689,677

Support Services:

Administration	13,111
Fundraising	10,267
	<hr/>

Total Support Services	23,378
------------------------	--------

Total Expenses	713,055
----------------	---------

Change in Net Assets	136,214
----------------------	---------

Net Assets, July 1, 2010	54,384
--------------------------	--------

Net Assets, June 30, 2011	\$ 190,598
---------------------------	------------

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, 2011

	Program Services				Support Services			
	Support Groups	Parent Helpline	Parent Pathway	Awareness	Total Program Services	Administration	Fund Raising	Total Support Services
Salaries	\$ 129,741	\$ 49,723	\$ 62,993	\$ 68,068	\$ 310,525	\$ 3,383	\$ -	\$ 3,383
In Kind Salaries	983	1,973	-	-	2,956	-	-	-
Fringe Benefits	24,329	9,783	15,810	18,131	68,053	1,547	-	1,547
Professional Fees	24,266	1,768	18,266	20,739	65,039	1,648	2,277	3,925
Supplies	8,865	2,301	8,865	8,157	28,188	1,872	2,182	4,054
Telephone	8,210	11,946	8,210	10,030	38,396	1,214	-	1,214
Postage	891	808	891	1,188	3,778	198	-	198
Rent	7,975	6,238	7,975	9,121	31,309	764	1,092	1,856
Equipment & Maintenance	2,688	2,578	2,688	3,669	11,623	655	762	1,417
Printing	16,012	4,052	16,012	16,892	52,968	587	2,983	3,570
Travel/Conferences/Meetings	18,438	2,461	15,386	20,009	56,294	215	-	215
Insurance	1,633	2,533	1,633	2,613	8,412	653	-	653
Other	444	78	444	338	1,304	-	971	971
Scholarships	1,373	156	1,373	1,446	4,348	48	-	48
Administration	4,833	979	672	-	6,484	-	-	-
Total Expenses Before Depreciation	250,681	97,377	161,218	180,401	689,677	12,784	10,267	23,051
Depreciation	-	-	-	-	-	327	-	327
Total Expenses	\$ 250,681	\$ 97,377	\$ 161,218	\$ 180,401	\$ 689,677	\$ 13,111	\$ 10,267	\$ 23,378
								\$ 713,055

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

PREVENT CHILD ABUSE TENNESSEE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 136,214
Depreciation	327
Adjustments to reconcile to net cash provided by operations	
(Increase) decrease in assets:	
Grant receivable	(16,855)
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>(95,267)</u>
Net cash provided by operating activities	<u>24,419</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principle payments on line of credit	<u>(14,925)</u>
Net cash used by financing activities	<u>(14,925)</u>

NET INCREASE IN CASH	9,494
Cash, July 1, 2010	<u>40,971</u>
Cash, June 30, 2011	<u><u>\$ 50,465</u></u>

Supplemental Information: Interest paid was \$375 for the year ended June 30, 2011

PREVENT CHILD ABUSE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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.

Financial Statement Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Agency 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.

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or passage of time. The Agency currently has no temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Agency currently has no permanently restricted net assets.

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.

PREVENT CHILD ABUSE TENNESSEE

NOTES TO FINANCIAL STATEMENTS - continued

JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

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.

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 three to five years for 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.

The Agency has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Agency believes that it has taken no uncertain tax positions.

3. 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 agencies, should this occur, may have a significant effect on future operations.

4. 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.

PREVENT CHILD ABUSE TENNESSEE

NOTES TO FINANCIAL STATEMENTS - continued

JUNE 30, 2011

5. LEASES

The Agency rents office space under a non-cancellable lease expiring December 31, 2011. The Agency also rents a copier under a non-cancellable lease expiring February 19, 2014.

Future minimum payments are as follows for the year ended June 30:

	<u>Office Space</u>	<u>Copier</u>	<u>Total</u>
2012	13,650	2,985	16,635
2013	-	2,985	2,985
2014	-	1,990	1,990
Total	<u>\$ 13,650</u>	<u>\$ 7,960</u>	<u>\$ 21,610</u>

Rent expenses paid by the Agency for the year ended June 30, 2011 was \$33,165

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 19, 2011, which was the date the financial statements were issued