

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year ended June 30, 2016**

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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, 2016, 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 21, 2016

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

STATEMENT OF FINANCIAL POSITION

June 30, 2016

<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash - unrestricted	\$	22,633	
Cash - restricted		<u>1,929</u>	\$ 24,562
Certificate of Deposit			60,368
Grants and other receivables			79,832
Interest receivable			146
Prepaid insurance			<u>4,198</u>
TOTAL CURRENT ASSETS			169,106
<u>PROPERTY AND EQUIPMENT</u>			
Land		96,599	
Building		247,721	
Furniture and fixtures		<u>40,456</u>	
		384,776	
Less accumulated depreciation		<u>74,963</u>	309,813
<u>OTHER ASSET</u>			
Utility deposit			<u>50</u>
			<u>478,969</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable			3,361
Accrued payroll taxes			1,937
Accrued interest			531
Accrued compensated absences			4,828
Current portion of long term debt			<u>4,057</u>
TOTAL CURRENT LIABILITIES			14,714
<u>LONG-TERM DEBT</u>			
Note payable		163,048	
Less amount shown as current		<u>4,057</u>	<u>158,991</u>
TOTAL LIABILITIES			173,705
<u>NET ASSETS</u>			
Unrestricted		303,335	
Temporarily restricted		<u>1,929</u>	<u>305,264</u>
			<u>\$ 478,969</u>

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, 2016**

	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>
<b>Revenues and other support:</b>		
Fundraising events (net of expenses of \$ 3,632)	\$ 25,120	\$ 3,672
Governmental grant income	86,958	
Contributions	42,040	
Victims assistance assessment	48,150	
In-Kind contributions	10,233	
Interest income	316	5
Miscellaneous	<u>2,550</u>	
<b>Total Revenue</b>	<b>215,367</b>	<b>3,677</b>
<b>Expenses:</b>		
Program services:		
Children's services	175,309	3,547
Support services -		
Management and general	<u>44,492</u>	
<b>Total Expenses</b>	<b><u>219,801</u></b>	<b><u>3,547</u></b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>(4,434)</b>	<b>130</b>
<b>Net assets at July 1, 2015</b>	<b><u>307,769</u></b>	<b><u>1,799</u></b>
<b>Net assets at June 30, 2016</b>	<b>\$ <u><u>303,335</u></u></b>	<b>\$ <u><u>1,929</u></u></b>

Depreciation of property and equipment for the year amounted to \$ 7,857.

Interest incurred during the year charged to expense was \$ 6,185, 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, 2016

	Program Service	Support Services	Total
	Children's Services	Management and General	Expenses
Salaries	\$ 87,123	\$ 16,636	\$ 103,759
Payroll taxes	6,088	1,273	7,361
Dues, licenses, and subscriptions	4,006		4,006
Professional services	20,755	9,355	30,110
Travel and conferences	3,178		3,178
Maintenance	5,504	1,376	6,880
Utilities	3,595	899	4,494
Insurance	19,531	4,027	23,558
Depreciation	6,286	1,571	7,857
Interest		6,185	6,185
Telephone	3,291		3,291
Supplies	11,937	762	12,699
Advertising	4,015		4,015
Postage		424	424
Contract labor		1,400	1,400
Miscellaneous		584	584
TOTAL	\$ <u>175,309</u>	\$ <u>44,492</u>	\$ <u>219,801</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, 2016

<b>Cash flows from operating activities:</b>		
Net decrease in net assets	\$	(4,304)
<b>Adjustments to reconcile net increase in unrestricted net assets to net cash provided by operating activities:</b>		
Depreciation	\$	7,857
<b>(Increase) Decrease in operating assets:</b>		
Grants and other receivables		(17,841)
Prepaid expenses		(1,302)
<b>Increase ( Decrease) in operating liabilities:</b>		
Accounts payable		375
Accrued taxes		5
Accrued interest		333
Accrued compensated absences		263
<b>Total adjustments</b>		<u>(10,310)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>		<b>(14,614)</b>
<b>Cash flows from investing activities:</b>		
Purchase of certificate of deposit		(10,178)
<b>Cash flows from financing activities:</b>		
Payments on note payable		<u>(7,783)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(32,575)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>57,137</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>\$ <u>24,562</u></b>

Cash paid for interest during the year amounted to \$ 6,185, 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, 2016

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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 2013, 2014, and 2015 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, 2016.

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, 2016**

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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 \$ 303,335 and restricted net assets were \$ 1,929.**

**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 \$ 4,015 for the year, none of which was capitalized. Of this amount \$ 1,726 was in-kind services provided.**

**NOTE C - CERTIFICATE OF DEPOSIT**

**The Center has a certificates of deposit which matures December 16, 2016. The interest rate on this certificate is .45%.**

**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, 2016

NOTE E - NOTES PAYABLE

<u>Due Date</u>	<u>Amount</u>	<u>Interest Rate</u>
<b><u>LONG-TERM DEBT</u></b>		
\$ 909 monthly including interest	<u>\$ 163,048</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 \$ 306,193.

Long-term debt matures as follows:

<u>Year ended June 30,</u>	
2017	\$ 4,057
2018	4,233
2019	4,416
2020	4,608
2021	4,807
Beyond five years	<u>140,927</u>
<b>TOTAL</b>	<b>\$ <u>163,048</u></b>

NOTE F - FUNDRAISING

Fundraising events consists primarily of revenues and expenses associated with a gala, and the Funfest which were the Organization's primary fundraisers. Total revenue and expenses associated with fundraising activities totaled to \$ 32,424 and \$ 3,632, respectively.

NOTE G - DONATED GOODS AND SERVICES

The amount recognized for donated supplies used in children's services is \$ 5,080. This amount is included as in-kind contributions and supplies expense. In-kind services were also recognized in the amount of \$ 5,153. In-kind services were added to expense as follows: advertising \$ 1,726, supplies \$ 477, rent \$ 250, repairs \$ 100, meals \$125, and legal fees \$ 2,475.

NOTE H - TEMPORARILY RESTRICTIONS

The amounts shown as temporarily restricted consists of donations and expenses related to funfest. This activity is a special day of fun activities provided for children. The amount of cash restricted for this purpose is \$ 1,929. Net assets temporarily restricted for this purpose is \$1,929.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 1, 2016 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, 2016

<u>Officers and Directors</u>	<u>Title</u>
Lisa Zavogiannis	President
Ray Talbert	Vice President
Cassel Galligan-Davis	Secretary
Justin Walling	Treasurer
Patsy Rhea-Cunningham	Director
Ricky Hodge	Director
Dianne Gillespie	Director
Richard Perez	Director
Shawn Perez	Director
Osvaldos Lopez	Director
Bill Brock	Director
Jennifer Smith	Director
Todd Rowland	Director
Martha Phillips	Executive Director