

**PREVENT CHILD ABUSE TENNESSEE**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2009**



**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, 2009, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Prevent Child Abuse Tennessee. 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, 2009, 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.

*Bellenfant & Miles, PLLC*

March 19, 2010

# PREVENT CHILD ABUSE TENNESSEE

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**PREVENT CHILD ABUSE TENNESSEE**  
**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2009**

**ASSETS**

Current Assets:

Cash	\$ 36,426
Accounts receivable	<u>10,668</u>
Total Current Assets	<u>47,094</u>

Furniture and Equipment:

Furniture and equipment	28,346
Less: accumulated depreciation	<u>28,346</u>
Net Furniture and Equipment	<u>-</u>
TOTAL ASSETS	<u><u>\$ 47,094</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	677
Line of credit payable	<u>14,925</u>
Total Current Liabilities	15,602
Net Assets, unrestricted	<u>31,492</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 47,094</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, 2009**

<b>SUPPORT AND REVENUE:</b>	<b><u>Total</u></b>
Tennessee Department of Children Services	\$ 108,334
Finance and Administration Office of Criminal Justice Programs	45,000
In-Kind Services	31,422
VOCA Helpline	25,686
Contributions	97,227
Kappa Delta	19,865
Fees for Services	49,578
Fundraising	<u>35,273</u>
Total Support and Revenue	<u>412,385</u>
<b>EXPENSES:</b>	
<b>Program Services:</b>	
Parent Support Groups	85,312
Parent Helpline	82,310
Parent Pathway	80,570
Parent Awareness	<u>117,815</u>
Total Program Services	<u>366,007</u>
<b>Support Services:</b>	
Administration	9,935
Fundraising	<u>24,723</u>
Total Support Services	<u>34,658</u>
Total Expenses	<u>400,665</u>
Change in Net Assets	11,720
Net Assets, July 1, 2008	<u>19,772</u>
Net Assets, June 30, 2009	<u><u>\$ 31,492</u></u>

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, 2009**

	Program Services				Support Services			
	Support Groups	Parent Helpline	Parent Pathway	Awareness	Total Program Services	Administration	Fund Raising	Total Support Services
Salaries	\$ 42,340	\$ 36,630	\$ 38,138	\$ 55,826	\$ 172,934	\$ 6,000	\$ 10,260	\$ 16,260
In Kind Salaries	8,000	7,422	8,000	8,000	31,422	-	-	-
Fringe Benefits	7,266	7,688	6,726	10,915	32,595	1,111	1,974	3,085
Professional Fees	2,619	40	2,619	4,919	10,197	605	2,513	3,118
Supplies	-	2,080	-	-	2,080	1,805	5,097	6,902
Telephone	4,472	15,719	4,472	7,406	32,069	-	-	-
Postage	329	158	329	329	1,145	-	-	-
Rent	5,671	5,269	5,671	7,009	23,620	-	1,625	1,625
Equipment & Maintenance	1,546	1,027	1,547	2,406	6,526	-	435	435
Printing	2,551	2,462	2,551	4,204	11,768	-	2,238	2,238
Travel/Conferences/Meetings	7,695	592	7,695	12,875	28,857	-	51	51
Insurance	1,514	3,223	1,515	2,088	8,340	-	-	-
Other	1,237	-	1,235	1,693	4,165	414	530	944
Scholarships	72	-	72	145	289	-	-	-
Total Expenses Before Depreciation	85,312	82,310	80,570	117,815	366,007	9,935	24,723	34,658
Depreciation	-	-	-	-	-	-	-	-
Total Expenses	\$ 85,312	\$ 82,310	\$ 80,570	\$ 117,815	\$ 366,007	\$ 9,935	\$ 24,723	\$ 34,658
								\$ 400,665

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, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 11,720
Adjustments to reconcile to net cash provided by operations	
(Increase) decrease in assets:	
Unconditional promises to give	8,974
Accounts receivable	5,821
Increase (decrease) in:	
Accounts payable	<u>(4,308)</u>
Net cash provided by operating activities	<u>22,207</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

New borrowings on line of credit	5,000
Principle payments on line of credit	<u>(5,075)</u>
Net cash provided by financing activities	<u>(75)</u>
NET INCREASE IN CASH	22,132
Cash, July 1, 2008	<u>14,294</u>
Cash, June 30, 2009	<u><u>\$ 36,426</u></u>

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

# **PREVENT CHILD ABUSE TENNESSEE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

### **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 accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendation of the "Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, Financial Statements of Not-for-Profit Organizations. Accordingly, net assets of the Organization, and changes therein are classified and reported as follows:

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.

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.

#### **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**

**JUNE 30, 2009**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

#### **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 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.

### **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 agency, 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**

**JUNE 30, 2009**

**5. LEASES**

The Agency rents office space under a non-cancellable lease expiring December 31, 2011. Future minimum payments are as follows:

December 31,	2010	\$	26,508
	2011		<u>27,300</u>
		\$	<u>53,808</u>

Rent expenses paid by the Agency for the year ended December 31, 2009 was \$25,245.

**6. LINE OF CREDIT**

The Agency has a line of credit available in the amount of \$15,000 at Bank of America at 6.25% interest annually. The balance at December 31, 2009 was \$14,925.