

**PREVENT CHILD ABUSE TENNESSEE**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2010**

# PREVENT CHILD ABUSE TENNESSEE

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**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, 2010, 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, 2010, 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.

March 31, 2011

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

**JUNE 30, 2010**

**ASSETS**

Current Assets:

Cash	\$ 40,971
Grants receivable	<u>125,221</u>
Total Current Assets	<u>166,192</u>

Furniture and Equipment:

Furniture and equipment	29,326
Less: accumulated depreciation	<u>28,373</u>
Net Furniture and Equipment	<u>953</u>

TOTAL ASSETS	<u><u>\$ 167,145</u></u>
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**LIABILITIES AND NET ASSETS**

Accounts payable	87,026
Employee savings-capital guard	4,407
Payroll tax liability	6,403
Line of credit payable	<u>14,925</u>

Total Current Liabilities	112,761
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Net Assets, unrestricted	<u>54,384</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 167,145</u></u>
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The accompanying notes are an integral part of these financial statements

**PREVENT CHILD ABUSE TENNESSEE**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2010**

<b>SUPPORT AND REVENUE:</b>	<b><u>Total</u></b>
Tennessee Department of Children Services	\$ 262,122
Finance and Administration	
Office of Criminal Justice Programs	44,830
In-Kind Services	45,232
VOCA Helpline	86,952
Contributions	57,744
Kappa Delta	39,142
Infant Disparity	20,000
National Parent Leadership	6,006
Fees for Services	13,267
Fundraising	<u>35,037</u>
Total Support and Revenue	<u>610,332</u>
<b>EXPENSES:</b>	
<b>Program Services:</b>	
Parent Support Groups	177,385
Parent Helpline	131,313
Parent Pathway	120,298
Parent Awareness	<u>135,210</u>
Total Program Services	<u>564,206</u>
<b>Support Services:</b>	
Administration	10,070
Fundraising	<u>13,164</u>
Total Support Services	<u>23,234</u>
Total Expenses	<u>587,440</u>
Change in Net Assets	22,892
Net Assets, July 1, 2009	<u>31,492</u>
Net Assets, June 30, 2010	<u>\$ 54,384</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, 2010**

	Program Services				Support Services			
	Support Groups	Parent Helpline	Parent Pathway	Awareness	Total Program Services	Administration	Fund Raising	Total Support Services
Salaries	\$ 72,270	\$ 59,221	\$ 40,642	\$ 43,196	\$ 215,329	\$ 1,703	\$ 364	\$ 2,067
In Kind Salaries	14,346	15,850	7,518	7,518	45,232	-	-	-
Fringe Benefits	12,952	7,691	10,855	12,836	44,334	1,321	-	1,321
Professional Fees	33,571	7,729	17,036	19,021	77,357	1,323	3,247	4,570
Supplies	5,371	3,990	5,371	6,221	20,953	566	3,131	3,697
Telephone	7,666	11,817	7,666	9,991	37,140	1,550	-	1,550
Postage	180	826	181	200	1,387	13	-	13
Rent	4,508	12,035	4,508	4,684	25,735	117	339	456
Equipment & Maintenance	945	1,581	944	944	4,414	103	372	475
Printing	5,813	3,789	5,813	6,137	21,552	216	3,969	4,185
Travel/Conferences/Meetings	7,156	2,679	7,156	9,435	26,426	1,519	-	1,519
Insurance	1,036	3,033	1,036	1,658	6,763	414	-	414
Other	6,218	13	6,219	9,887	22,337	1,198	-	1,198
Administration	5,353	1,059	5,353	3,482	15,247	-	1,742	1,742
Total Expenses Before Depreciation	177,385	131,313	120,298	135,210	564,206	10,043	13,164	23,207
Depreciation	-	-	-	-	-	27	-	27
Total Expenses	\$ 177,385	\$ 131,313	\$ 120,298	\$ 135,210	\$ 564,206	\$ 10,070	\$ 13,164	\$ 23,234
								\$ 587,440

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, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 22,892
Depreciation	27
Adjustments to reconcile to net cash provided by operations	
(Increase) decrease in assets:	
Grant receivable	(125,221)
Accounts receivable	10,668
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>97,159</u>
Net cash provided by operating activities	<u>5,525</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	<u>(980)</u>
Net cash used by investing activities	<u>(980)</u>
 NET INCREASE IN CASH	 4,545
Cash, July 1, 2009	<u>36,426</u>
Cash, June 30, 2010	<u><u>\$ 40,971</u></u>

Supplemental Information: Interest paid was \$933 for the year ended June 30, 2010

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

# PREVENT CHILD ABUSE TENNESSEE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

### 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 Club 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.

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 - continued

JUNE 30, 2010

### 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 3 to 5 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 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 - continued**

**JUNE 30, 2010**

**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>
2011	\$ 26,904	\$ 2,985	\$ 29,889
2012	13,650	2,985	16,635
2013	-	2,985	2,985
2014	-	1,990	1,990
	<hr/>	<hr/>	<hr/>
Total	\$ 40,554	\$ 10,945	\$ 51,499

Rent expenses paid by the Agency for the year ended June 30, 2010 was \$26,191.

**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 June 30, 2010 was \$14,925.

**7. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 31, 2011, which was the date the financial statements were issued.