

**WILLIAMSON COUNTY CHILD
ADVOCACY CENTER, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2009**

**WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
FINANCIAL STATEMENTS
JUNE 30, 2009**

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors
Williamson County Child Advocacy Center, Inc.
Franklin, Tennessee

We have audited the accompanying statements of financial position of the Williamson County Child Advocacy Center, Inc. as of June 30, 2009, and the related statements of activities, cash flows and functional expenses 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 the Williamson County Child Advocacy Center, Inc. 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.

A handwritten signature in black ink, which appears to read "Thomas Eric Reese". The signature is written in a cursive style.

November 11, 2009

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2009

ASSETS

Current Assets

Cash	\$ 57,145
Grants receivable	31,409
Pledges receivable	1,485
Prepaid expenses	2,000
Total current assets	<u>\$ 92,039</u>

Property and Equipment

Office furniture and equipment	20,761
Less: accumulated depreciation	<u>(5,994)</u>
Total property and equipment	<u>14,767</u>

Other Assets

Deposits	<u>2,530</u>
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Total assets	<u><u>\$ 109,336</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 3,380
Accrued expenses	<u>12,311</u>
Total current liabilities	<u>15,691</u>

Net Assets

Unrestricted	<u>93,645</u>
Total liabilities and net assets	<u><u>\$ 109,336</u></u>

The accompanying notes are in integral part of these financial statements

**WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Unrestricted</u>
Public Support and Revenue:	
Public Support:	
Government grants	\$ 122,793
Corporate grants	34,576
Contributions	43,014
Special event revenue:	
Revenue	47,927
Less direct costs	<u>(16,336)</u>
Net revenue from special events	<u>31,591</u>
Total public support	<u>231,974</u>
Revenue:	
Interest income	<u>228</u>
Total revenue	<u>228</u>
Total public support and revenue	<u>232,202</u>
Expenses:	
Program Services:	
Counseling	62,270
Education and Outreach	76,267
Forensic Interviewing	50,880
Victim Services	<u>56,736</u>
Total program services	<u>246,153</u>
Supporting Services	
Management and general	28,333
Fundraising	<u>348</u>
Total supporting services	<u>28,681</u>
Total expenses	274,834
Change in net assets	(42,632)
Net assets at beginning of year	<u>136,277</u>
Net assets at end of year	<u>\$ 93,645</u>

The accompanying notes are in integral part of these financial statements

**WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Program Services</u>					<u>Supporting Services</u>			
	<u>Counseling</u>	<u>Education and Outreach</u>	<u>Forensic Interviewing</u>	<u>Victim Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Salaries	\$ 40,376	\$ 53,110	\$ 32,557	\$ 30,108	\$ 156,151	\$ -	\$ -	\$ -	\$ 156,151
Employee benefits	-	2,677	\$ 6,537	6,014	15,228	-	-	-	15,228
Payroll taxes	2,927	4,224	\$ 2,491	2,303	11,945	-	-	-	11,945
Total compensation	<u>43,303</u>	<u>60,011</u>	<u>41,585</u>	<u>38,425</u>	<u>183,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,324</u>
Professional development and training	973	1,139	350	345	2,807	300	-	300	3,107
Professional fees	200	100	436	-	736	5,153	-	5,153	5,889
Vacation pay	2,955	4,063	2,832	2,461	12,311	-	-	-	12,311
Supplies	1,335	2,776	395	38	4,544	462	98	560	5,104
Snacks and juices	-	57	122	-	179	-	-	-	179
Postage and shipping	6	186	-	113	305	5	-	5	310
Telephone	-	2,930	130	3,155	6,215	-	-	-	6,215
Occupancy	596	2,946	77	10,036	13,655	15,187	-	15,187	28,842
Equipment rental and maintenance	-	-	-	-	-	119	-	119	119
Printing and publications	-	91	81	392	564	-	-	-	564
Insurance	100	1,152	-	500	1,752	767	-	767	2,519
Travel	3,928	662	4,636	1,075	10,301	42	-	42	10,343
Depreciation	-	-	-	-	-	690	-	690	690
Donated services	8,321	-	-	-	8,321	5,000	-	5,000	13,321
Direct expenses of special events	-	-	-	-	-	-	16,336	16,336	16,336
Miscellaneous	553	154	236	196	1,139	608	250	858	1,997
Total expenses	<u>62,270</u>	<u>76,267</u>	<u>50,880</u>	<u>56,736</u>	<u>246,153</u>	<u>28,333</u>	<u>16,684</u>	<u>45,017</u>	<u>291,170</u>
Less: expenses netted with revenue on statement of activities:									
Direct expenses of special events	-	-	-	-	-	-	(16,336)	(16,336)	(16,336)
Total expenses by function	<u>\$ 62,270</u>	<u>\$ 76,267</u>	<u>\$ 50,880</u>	<u>\$ 56,736</u>	<u>\$ 246,153</u>	<u>\$ 28,333</u>	<u>\$ 348</u>	<u>\$ 28,681</u>	<u>\$ 274,834</u>
Current year's percentages	<u>22.7%</u>	<u>27.8%</u>	<u>18.5%</u>	<u>20.6%</u>	<u>89.6%</u>	<u>10.3%</u>	<u>0.1%</u>	<u>10.4%</u>	<u>100.0%</u>

The accompanying notes are in integral part of these financial statements

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Cash Flows From Operating Activities:

Change in net assets	\$ (42,632)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	690
Changes in operating assets and liabilities:	
Grants receivable	(7,062)
Pledges receivable	(1,485)
Accounts payable	3,380
Accrued expenses	12,311
Net cash used in operating activities	<u>(34,798)</u>

Cash flows From Investing Activities

Purchases of equipment	(14,537)
Proceeds from sale of investments	8,000
Net cash used in investing activities	<u>(6,537)</u>
Net decrease in cash and cash equivalents	(41,335)
Cash at beginning of year	98,480
Cash at end of year	<u><u>\$ 57,145</u></u>

Supplemental disclosure of noncash operating activities:

In-kind contributions of accounting and legal services	\$ 10,000
In-kind contributions of facilities	3,000
In-kind contributions of supplies	321
Total In-kind contributions	<u><u>\$ 13,321</u></u>

The accompanying notes are in integral part of these financial statements

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Williamson County Child Advocacy Center (the “Organization”) is a nonprofit organization chartered in the State of Tennessee in 1999 to combat child abuse by providing and coordinating services to child abuse victims and their families in crisis and providing community education focused on prevention and early intervention. The Organization serves the 21st Judicial District which includes Williamson, Hickman, Lewis and Perry Counties. The Organization fulfills its mission through programs by providing services such as counseling for victims and the non-offending parent or parents. The Organization is supported primarily through government grants, individual and business contributions, and special events.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted. When a restriction expires in a period after the contributions are received, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 and any related investments for general or specific purposes.

The amount for each of these classes of net assets is displayed in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities. There were no temporarily or permanently restricted net assets as of June 30, 2009.

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. At June 30, 2009, the Organization had no cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants Receivable

The Organization considers grants receivable to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

Property and Equipment

Property and equipment are recorded at cost to the Organization, or if donated, at the estimated fair market value at the date of donation. All depreciation is computed using the straight-line method based on the estimated useful life of the asset. Estimated useful lives are 3-7 years for office furniture and equipment.

Expenditures for repairs and maintenance are charged to operations when incurred.

Expense Allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on actual or estimated time employees spend on each function.

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and the Organization is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

Contributions

Under SFAS 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Financial Instruments

Effective July 1, 2008, the Organization adopted SFAS No. 157, *Fair Value Measurements*, which established a framework for measuring the fair value in accordance with GAAP, and expands disclosures about the use of fair value measures. The adoption of SFAS No. 157 did not have an impact on the Organization's financial position or operating results. Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by SFAS No. 157, are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization’s financial instruments consist of grants receivable, pledges receivable, accounts payable and accrued expenses. The recorded values of all the Organization’s financial instruments approximate their fair values based on their short-term nature.

NOTE 2 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of grant funds from the State of Tennessee from the Office of Criminal Justice Programs and the Department of Children’s Services. The grants represented 53% of the total revenue for the year ending June 30, 2009. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization’s programs and activities.

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of the following at June 30, 2009:

Office of Criminal Justice Programs	\$15,824
Baptist Healing Trust	12,238
Department of Children’s Services	<u>3,347</u>
Total	<u>\$31,409</u>

WILLIAMSON COUNTY CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 – LEASE COMMITMENT

The Organization leases office facilities under an operating lease which expires June 30, 2014. Rent expense for the year ended June 30, 2009 totaled \$28,842.

Future minimum rental payments under the office operating lease are as follows:

Year Ending	
<u>June 30,</u>	<u>Amount</u>
2010	\$ 35,442
2011	38,452
2012	39,606
2013	40,794
2014	42,018
	<u>\$196,312</u>

NOTE 5 – DONATED SERVICES, SUPPLIES AND FACILITIES

A board member donated accounting services to the Organization in the amount of \$10,000 and donated supplies were received by the Organization in the amount of \$321 for the year ended June 30, 2009.

Also, for the year ended June 30, 2009, Lewis County Commission donated the Organization's office facilities at the Hohenwald location in the amount of \$3,000.

NOTE 6 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through November 11, 2009, the issuance of the Organization's financial statements.