

Financial Statements

Prevent Child Abuse Minnesota

St. Paul, Minnesota

For the Years Ended
June 30, 2015 and 2014

PREVENT CHILD ABUSE MINNESOTA
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Prevent Child Abuse Minnesota
St. Paul, MN

Report of Financial Statements

We have audited the accompanying statements of financial position of Prevent Child Abuse Minnesota (a nonprofit corporation) as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prevent Child Abuse Minnesota as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
September 29, 2015

FINANCIAL STATEMENTS

PREVENT CHILD ABUSE MINNESOTA
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 247,155	\$ 165,001
Accounts receivable	86,291	153,291
Pledges receivable	10,500	13,250
Grants and contracts receivable	-	40,000
Prepaid expenses	8,525	5,700
TOTAL CURRENT ASSETS	352,471	377,242
PROPERTY AND EQUIPMENT		
Furniture and equipment	57,342	55,466
Accumulated depreciation	(43,383)	(38,432)
TOTAL PROPERTY AND EQUIPMENT	13,959	17,034
TOTAL ASSETS	\$ 366,430	\$ 394,276

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
 STATEMENTS OF FINANCIAL POSITION (CONTINUED)
 JUNE 30, 2015 AND 2014

	2015	2014
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 16,105	\$ 19,575
Accrued expenses	15,489	17,240
TOTAL LIABILITIES	31,594	36,815
NET ASSETS		
Unrestricted	334,836	307,461
Temporarily restricted	-	50,000
TOTAL NET ASSETS	334,836	357,461
TOTAL LIABILITIES AND NET ASSETS	\$ 366,430	\$ 394,276

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	2015			2014 Total
	Unrestricted	Temporarily Restricted	Total	
SUPPORT AND REVENUE				
SUPPORT				
Pledges and contributions	\$ 229,608	\$ -	\$ 229,608	\$ 339,635
Special events				
Revenue	64,179	-	64,179	64,343
Expenses	(35,075)	-	(35,075)	(25,582)
TOTAL SUPPORT	258,712	-	258,712	378,396
REVENUE				
Government funded services	421,229	18,750	439,979	556,313
Education and engagement	834	-	834	12
Training and conferences	2,853	-	2,853	7,460
Other services	186,101	-	186,101	94,002
Other revenue	392	-	392	2,804
TOTAL REVENUE	611,409	18,750	630,159	660,591
NET ASSETS RELEASED FROM RESTRICTION				
Satisfaction of program restrictions	68,750	(68,750)	-	-
TOTAL SUPPORT AND REVENUE	938,871	(50,000)	888,871	1,038,987
EXPENSES				
PROGRAM SERVICES				
Awareness and education	448,477	-	448,477	484,666
Support	168,786	-	168,786	166,637
Leadership	135,823	-	135,823	177,556
Other programs	25,398	-	25,398	43,224
TOTAL PROGRAM SERVICES	778,484	-	778,484	872,083
SUPPORT SERVICES				
Management and general	81,437	-	81,437	97,273
Fundraising	51,575	-	51,575	67,512
TOTAL SUPPORT SERVICES	133,012	-	133,012	164,785
TOTAL EXPENSES	911,496	-	911,496	1,036,868
CHANGE IN NET ASSETS	27,375	(50,000)	(22,625)	2,119
NET ASSETS, BEGINNING OF YEAR	307,461	50,000	357,461	355,342
NET ASSETS, END OF YEAR	\$ 334,836	\$ -	\$ 334,836	\$ 357,461

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Pledges and contributions	\$ 242,135	\$ 97,500	\$ 339,635
Special events			
Revenue	64,343	-	64,343
Expenses	(25,582)	-	(25,582)
TOTAL SUPPORT	280,896	97,500	378,396
REVENUE			
Government funded services	556,313	-	556,313
Education and engagement	12	-	12
Training and conferences	7,460	-	7,460
Other services	94,002	-	94,002
Other revenue	2,804	-	2,804
TOTAL REVENUE	660,591	-	660,591
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	131,444	(131,444)	-
TOTAL SUPPORT AND REVENUE	1,072,931	(33,944)	1,038,987
EXPENSES			
PROGRAM SERVICES			
Awareness and education	484,666	-	484,666
Support	166,637	-	166,637
Leadership	177,556	-	177,556
Other programs	43,224	-	43,224
TOTAL PROGRAM SERVICES	872,083	-	872,083
SUPPORT SERVICES			
Management and general	97,273	-	97,273
Fundraising	67,512	-	67,512
TOTAL SUPPORT SERVICES	164,785	-	164,785
TOTAL EXPENSES	1,036,868	-	1,036,868
CHANGE IN NET ASSETS	36,063	(33,944)	2,119
NET ASSETS, BEGINNING OF YEAR	271,398	83,944	355,342
NET ASSETS, END OF YEAR	\$ 307,461	\$ 50,000	\$ 357,461

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Program Services				Supporting Services			2015 Total	2014 Total	
	Awareness and Education	Support	Leadership	Other Programs	Total Program	Management and General	Fundraising			Total Supporting
PERSONNEL COSTS										
Salaries and wages	\$ 183,957	\$ 100,549	\$ 48,427	\$ 17,229	\$ 350,162	\$ 22,443	\$ 34,858	\$ 57,301	\$ 407,463	\$ 455,163
Payroll taxes	11,376	6,038	2,995	1,087	21,496	1,365	2,156	3,521	25,017	33,320
Employee benefits	23,717	13,024	6,254	2,075	45,070	3,047	4,500	7,547	52,617	89,297
TOTAL PERSONNEL COSTS	219,050	119,611	57,676	20,391	416,728	26,855	41,514	68,369	485,097	577,780
EXPENSES										
Grants and allocations	85,795	4,700	-	-	90,495	-	-	-	90,495	74,607
Professional fees/ contracted services	59,998	1,498	25,269	1,170	87,935	42,415	481	42,896	130,831	148,949
Supplies	12,242	1,049	1,390	167	14,848	455	357	812	15,660	12,743
Telephone and internet	3,806	3,911	1,544	222	9,483	514	741	1,255	10,738	15,380
Postage and shipping	1,568	246	243	35	2,092	183	61	244	2,336	2,169
Occupancy	12,584	6,982	3,331	1,054	23,951	1,675	2,397	4,072	28,023	25,680
Printing and publications	3,143	2,874	1,844	57	7,918	888	433	1,321	9,239	4,364
Travel	12,169	14,427	22,299	974	49,869	749	493	1,242	51,111	49,187
Conferences and meetings	6,646	451	9,470	40	16,607	933	76	1,009	17,616	13,617
Advertising	101	53	64	2	220	331	3	334	554	787
Insurance	3,981	2,176	1,048	332	7,537	527	754	1,281	8,818	7,582
Miscellaneous	26	2,035	130	-	2,191	3,873	2,546	6,419	8,610	10,918
Volunteers and staff development	19,956	3,010	8,049	520	31,535	638	471	1,109	32,644	72,850
Equipment rental and maintenance	5,216	4,564	2,889	252	12,921	1,110	832	1,942	14,863	17,505
TOTAL EXPENSES BEFORE DEPRECIATION	446,281	167,587	135,246	25,216	774,330	81,146	51,159	132,305	906,635	1,034,118
Depreciation	2,196	1,199	577	182	4,154	291	416	707	4,861	2,750
TOTAL EXPENSES	\$ 448,477	\$ 168,786	\$ 135,823	\$ 25,398	\$ 778,484	\$ 81,437	\$ 51,575	\$ 133,012	\$ 911,496	\$ 1,036,868

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services				Supporting Services				Total
	Awareness and Education	Support	Leadership	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
PERSONNEL COSTS									
Salaries and wages	\$ 189,121	\$ 72,443	\$ 76,900	\$ 32,808	\$ 371,272	\$ 40,240	\$ 43,651	\$ 83,891	\$ 455,163
Payroll taxes	13,914	5,283	5,609	2,480	27,286	2,850	3,184	6,034	33,320
Employee benefits	37,436	14,073	14,938	3,212	69,659	11,158	8,480	19,638	89,297
TOTAL PERSONNEL COSTS	240,471	91,799	97,447	38,500	468,217	54,248	55,315	109,563	577,780
EXPENSES									
Grants and allocations	70,584	4,023	-	-	74,607	-	-	-	74,607
Professional fees/ contracted services	69,165	31,401	23,788	-	124,354	24,570	25	24,595	148,949
Supplies	7,091	2,515	1,793	342	11,741	735	267	1,002	12,743
Telephone and internet	5,064	2,677	5,255	832	13,828	619	933	1,552	15,380
Postage & shipping	1,410	179	279	22	1,890	119	160	279	2,169
Occupancy	10,967	4,006	4,253	914	20,140	3,126	2,414	5,540	25,680
Printing and publications	1,556	534	1,538	112	3,740	297	327	624	4,364
Travel	15,870	13,919	16,484	774	47,047	612	1,528	2,140	49,187
Conferences & meetings	1,232	2,196	7,667	287	11,382	1,890	345	2,235	13,617
Advertising	224	283	280	-	787	-	-	-	787
Insurance	3,237	1,183	1,256	270	5,946	923	713	1,636	7,582
Miscellaneous	688	99	300	75	1,162	6,085	3,671	9,756	10,918
Volunteers & staff development	51,475	7,598	11,386	475	70,934	1,211	705	1,916	72,850
Equipment rental & maintenance	4,458	3,796	5,375	523	14,152	2,503	850	3,353	17,505
TOTAL EXPENSES BEFORE DEPRECIATION	483,492	166,208	177,101	43,126	869,927	96,938	67,253	164,191	1,034,118
Depreciation	1,174	429	455	98	2,156	335	259	594	2,750
TOTAL EXPENSES	\$ 484,666	\$ 166,637	\$ 177,556	\$ 43,224	\$ 872,083	\$ 97,273	\$ 67,512	\$ 164,785	\$ 1,036,868

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ (22,625)	\$ 2,119
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	4,950	2,750
(Increase) decrease in operating assets		
Pledges receivable	2,751	1,000
Accounts receivable	67,000	(38,153)
Prepaid expenses and other current assets	(2,825)	3,528
Grants and contracts receivable, net	40,000	(20,000)
Increase (decrease) in liabilities:		
Accounts payable	(3,470)	15,067
Accrued expenses	(1,751)	5,145
	84,030	(28,544)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for the purchases of property and equipment	(1,876)	(13,295)
CHANGE IN CASH AND CASH EQUIVALENTS	82,154	(41,839)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	165,001	206,840
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 247,155	\$ 165,001
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ -	\$ -

See Independent Auditor's Report and Notes to Financial Statements.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Minnesota Communities Caring for Children (MCCC), home of Prevent Child Abuse Minnesota and the Minnesota Circle of Parents (the Organization), works to build healthy environments where all children thrive. Our prevention model promotes individual and community led action to end child abuse and to build the resilience of children, parents and community members in neighborhoods, towns and cities throughout Minnesota.

MCCC was awarded 501(c)(3) status in 1979 with the primary goal of preventing and ultimately ending the abuse and neglect of Minnesota's children. Over the last 36 years we have successfully collaborated with communities, businesses and public and private funders to evolve from a small organization operating out of our St. Paul office to a statewide entity with programs available in 57 of Minnesota's 87 counties. We have a history of parent leadership development along with intentional engagement of and learning from cultures that have traditionally been under-represented in public and private decision making.

MCCC Prevention Initiatives are led by four regional directors as well as engaged parents and community members in the Northwest, Central, Northeast, Southern and Metro regions of the state. Within each region specific counties have been prioritized for increased services based on high levels of poverty as well as high health, education, and out of home placement (foster care) disparities.

The mission of MCCC is to empower individuals and communities to stop child abuse and neglect before it starts through education, awareness, support and leadership for action. Our vision is that all of Minnesota's children grow to achieve their full potential in safe, healthy and nurturing environments creating better communities for all.

Awareness and Education:

Trauma-Informed Care Technical Assistance Center (TICTAC) - Research shows that childhood trauma is common and it has strong cumulative health and social implications. MCCC develops the capacity of individuals (parents, teachers, and health and human services professionals, for example) as certified ACE Interface Presenters and Trainers so that they can use their knowledge and skills to be champions for resilience and healing across Minnesota. In Fiscal Year 2015 (FY15) MCCC trained nearly 70 ACE Interface Presenters, adding to 20 previously trained ACE Interface Trainers statewide. Concentrations of 4 or more Trainers and Presenters are located in Hennepin, Ramsey, Beltrami and St. Louis counties.

In FY15, ACE Interface Trainers and Presenters provided more than 70 presentations to more than 2,500 individuals in 23 counties statewide. A FY15 survey of presentation attendees showed that more than 90% of respondents found the ACE Interface presentation informative and thought provoking. Of those surveyed, 90% of respondents reported that they will incorporate their new knowledge about Adverse Childhood Experiences and resilience into their actions at work and more than 80% said that they will incorporate this knowledge into their actions at home and in their families.

Early Childhood Initiatives - In FY15, MCCC offered two early childhood development programs, one Child Development Associate (CDA) certification course and one course at a pre-CDA level. Completing the CDA Program fulfills the requirements of the State of Minnesota for individuals to be qualified as a teacher in early childhood programs. Both the CDA and pre-CDA classes are designed specifically to reach communities of color in the Twin Cities metro area, particularly immigrant populations.

In 2015, up to 201,063 children needed child care in Minnesota. To meet the demand for both high quality teachers and a culturally diverse workforce in teacher level positions in child care settings, MCCC offered 177 hours of classes in the metro area that could be used to meet the requirements to apply for CDA certification. In 2015, 63 individuals attended classes and 16 completed the 120 hours required to apply for the Child Development Associate credential. This program concluded during FY15.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

A. Nature of Activities - Continued

Prevention Education and Outreach - MCCC produces and distributes Minnesota’s Child Abuse Prevention Month materials each April and distributes thousands of pieces of additional prevention education and outreach materials throughout the year. MCCC also raises awareness online. At the end of FY15, MCCC’s Facebook page was liked by more than 2,550 people and an average of 56 people interacted with MCCC’s Facebook page each week. MCCC’s website (pcamn.org), which hosts a variety of educational resources on topics from mandated reporting to resilience building, was viewed an average of 74 times per day in FY15.

MCCC staff members are also present at community events statewide to share information about prevention as well as to facilitate dialogue about prevention through Café conversation events. In FY15, MCCC staff facilitated 12 Café events for more than 130 community members. In a FY15 survey of Café attendees, more than 90% of respondents reported that the Café was helpful and that they would recommend a Café to others, more than 95% of respondents said that they learned something that will help them as a parent/caregiver, and 90% of respondents reported that they plan to take better care of themselves as a result of participating in the Café.

Spring Webinar Series - Each year MCCC offers a spring webinar series. In response to growing interest in resilience strategies, the 2015 webinar series focused on building resilience in a variety of settings and included local and national experts on resilience, including MCCC staff. In FY15, MCCC hosted 8 webinars for a total of 184 attendees. In a survey of webinar attendees, respondents tended to rate their prior level of understanding of the webinar topic as “fair” or “good,” while after the training the majority of respondents reported their understanding as “very good.”

Support:

Circle of Parents - MCCC partners with communities to offer peer-led, mutual self-help support groups for parents and children throughout the state. Parents support each other and develop leadership skills that transfer to their families and communities. Participants meet weekly in a supportive environment to share their concerns and frustrations, and to identify and commit to their own personal parenting goals. Participants are guided by trained volunteer facilitators and skilled parent representatives. In FY15, more than 1,000 parents/caregivers and 700 children participated the Circle of Parents program statewide.

Evidence from multiple national research studies indicates that parents who participate in 11 or more Circle of Parents group sessions show increased use of attributes associated with the Six Protective Factors that, when present in families, are known to increase child well-being and reduce the incidence of child abuse. In a FY15 survey of our Circle of Parents participants, 87% of parents indicated they had attended more 11 or more group sessions in the previous year and 32% had attended more than 25 sessions. The survey also showed that 98% of parents reported increased confidence in their parenting skills, 95% reported having more appropriate expectations with their child(ren) and 94% reported that they interacted more positively with their child(ren) resulting in healthier communication. Of those surveyed, 11% reported having good or excellent positive parenting skills before attending Circle of Parents, compared to 84% after attending Circle of Parents groups.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

A. Nature of Activities - Continued

Parent Mentorship Program - The Parent Mentorship Program is an expanded program that originated at William Mitchell College of Law Child Protection Clinic in 2012. Parent Mentors are individuals that have been personally impacted by systems and are able to help parents navigate through systems. A primary goal of the program is to help parents reunify with their children as soon as is safely possible. The Parent Mentor Network is designed to empower parents to provide safety and stability for their children and to improve outcomes for parents and families in the child protection system in Minnesota. In FY15, the program was in planning stages as it transitioned to MCCC.

Leadership for Action:

Parent Leadership for Child Safety and Permanency (PLCSP) Team - In partnership with the Department of Human Services, MCCC offers a training program for parents to empower them to become leaders in their communities. As part of this program, parents build skills including community organizing and facilitating community dialogues. This team of Parent Leaders partners with the child welfare system and uses their experience, as well as knowledge from their communities, to improve family service practices. In FY15, MCCC's 19 Parent Leaders worked more than 1,100 hours advising service providers, raising awareness statewide about family resilience and community needs, and enhancing their own knowledge and skills. During February, Parent Recognition Month, MCCC recognized 16 parents, with more than 60 people in attendance, including families, state legislators, and community stakeholders.

Public Policy - MCCC provides leadership to shaping and advocating for policy and systems change that best serves the interests of children and families. Currently MCCC is collaborating with parents and community partners to develop a statewide prevention plan that will integrate child abuse prevention and trauma-informed care practices into systems that interact with children and families.

In 2015, we advocated for the development of a statewide child abuse prevention plan and drafted a resolution (H.F. 892) to aid in the prevention of child abuse and neglect and ensure the well-being of children in Minnesota. The resolution was created to increase public understanding of the neurological damage that can be caused by toxic stress in childhood and offer an opportunity to develop and improve social, emotional and educational supports for all children and families. The resolution requested the development of a statewide multi-sectorial task force to create a comprehensive plan to prevent child abuse and neglect in Minnesota and was presented to members of the House of Representatives by Representative Rena Moran. We plan to build on the momentum started in this session to continue to build support for a statewide plan.

B. 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, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Unrestricted net assets – Those resources subject to the Board of Directors discretionary control.

Temporarily restricted net assets – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Permanently restricted net assets – Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization.

As of June 30, 2015 and 2014, the Organization had no permanently restricted net assets. As of June 30, 2015, the Organization had no temporarily restricted net assets.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

D. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, short-term investments, accrued interest, and promises to give to be received in less than one year approximate fair value because of the short maturity of those financial instruments. The fair value of promises to give to be received in more than one year is immaterial, and accordingly, no present value discount adjustment is necessary.

E. Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by the donor or law.

F. Accounts Receivable

Accounts receivable are reported at the amount the Organization expects to collect on balances outstanding at period end. The Organization monitors outstanding balances and periodically writes off amounts that management determines to be uncollectible. The Organization has concluded that losses from uncollectible accounts at period end will not be significant; therefore, no allowance has been made for uncollectible accounts. Generally, interest is not charged on past-due accounts.

G. Furniture and Equipment

Furniture and equipment are presented at cost or donated (appraised) value. The Organization generally capitalizes all assets over \$500. Depreciation is computed on the straight-line or declining balance basis over the estimated useful lives, currently 3 to 7 years.

H. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any restrictions. Contributions, including unconditional promises to give, are recorded as made. Unconditional promises to give due in subsequent years are recorded at their net realizable value.

I. Government Grants and Contracts

Government grants and contracts are generally considered exchange transactions and are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred. Funds received, but not yet earned are recorded as deferred revenue.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Donated Services

The Organization has a large and dedicated team of volunteers that perform a variety of tasks that assist the Organization with specific programs and supporting services. These services are not recognized in the financial statements since the criteria for recording the services were not met.

K. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs incurred were \$553 and \$787 for the years ended June 30, 2015 and 2014, respectively.

L. Expense Allocation

Salaries and related expenses are allocated based on job descriptions and management estimates. Expenses, other than salaries and related payroll expenses, that are not directly identifiable by program or support service, are allocated based on management estimates.

M. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

Management believes that it is not reasonably possible for any tax position benefits to increase or decrease significantly over the next 12 months. As of June 30, 2015 and 2014, there were no income tax related accrued interest or penalties recognized in either the statement of financial position or the statement of activities.

The Company files informational returns in the U.S. federal jurisdiction, and in the Minnesota state jurisdiction. U.S. federal returns and Minnesota returns prior to fiscal year 2011 are closed. No returns are currently under examination in any tax jurisdiction.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

O. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement's presentation. These reclassifications had no effect on the change in net assets for the prior year.

P. Subsequent Events

Subsequent events were evaluated through September 29, 2015, which is the date the financial statements were available to be issued.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

Note 2: CREDIT RISK

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

Note 3: PLEDGES RECEIVABLE

The balance of all promises to give was \$10,500 and \$13,250 as of June 30, 2015 and 2014, respectively. There were no promises to give due in more than 1 year, so accordingly, no allowance for uncollectible pledges has been recorded.

Note 4: EMPLOYEE BENEFIT PLAN

Prevent Child Abuse Minnesota provides a 401(k) plan for all employees meeting certain eligibility requirements regarding age and length of service. The Organization's board considers employer matches to the plan on an annual basis. For 2015, no match will be funded until the end of the calendar year in accordance with the Plan document. Employee match expense incurred for the 2014 fiscal year as the match was \$2,432.

Note 5: TEMPORARILY RESTRICTED NET ASSETS

The Organization had the following temporarily restricted net assets at June 30, 2015 and 2014:

	2015	2014
Butler 2014	\$ -	\$ 40,000
St. Paul Foundation	-	10,000
Total temporarily restricted net assets	\$ -	\$ 50,000

Note 6: LEASES

The Organization leases office facilities under a noncancellable operating lease that expires October 31, 2015. Rent expense for the years ended June 30, 2015 and 2014 was \$28,541 and \$10,460, respectively. The future minimum lease payments required under the lease at June 30, 2015 is \$6,731.

The Organization also leases equipment and office space under short term agreements. The total payments under these equipment leases were \$6,793 for 2015 and \$8,178 for 2014.