

Financial Statements

Prevent Child Abuse Minnesota

St. Paul, Minnesota

For the Years Ended
June 30, 2017 and 2016

PREVENT CHILD ABUSE MINNESOTA
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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying statements of financial position of Prevent Child Abuse Minnesota (a nonprofit corporation) as of June 30, 2017 and 2016, 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 for the Financial Statements

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 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 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 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 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 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, 2017 and 2016, 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
Minneapolis, Minnesota
November 15, 2017

FINANCIAL STATEMENTS

PREVENT CHILD ABUSE MINNESOTA
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 241,950	\$ 231,901
Accounts receivable	220,086	131,161
Pledges receivable	6,275	5,975
Grants receivable	-	30,000
Prepaid expenses	20,326	12,088
TOTAL CURRENT ASSETS	488,637	411,125
PROPERTY AND EQUIPMENT		
Furniture and equipment	57,342	57,342
Accumulated depreciation	(51,280)	(47,741)
TOTAL PROPERTY AND EQUIPMENT	6,062	9,601
NONCURRENT ASSETS		
Unemployment services trust	24,893	37,645
TOTAL ASSETS	\$ 519,592	\$ 458,371

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

PREVENT CHILD ABUSE MINNESOTA
 STATEMENTS OF FINANCIAL POSITION - CONTINUED
 JUNE 30, 2017 AND 2016

	2017	2016
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 15,508	\$ 10,482
Accrued expenses	42,848	22,581
TOTAL LIABILITIES	58,356	33,063
NET ASSETS		
Unrestricted	350,642	329,435
Temporarily restricted	110,594	95,873
TOTAL NET ASSETS	461,236	425,308
TOTAL LIABILITIES AND NET ASSETS	\$ 519,592	\$ 458,371

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

PREVENT CHILD ABUSE MINNESOTA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	2017			2016 Total
	Unrestricted	Temporarily Restricted	Total	
SUPPORT AND REVENUE				
SUPPORT				
Pledges and contributions	\$ 241,495	\$ 110,594	\$ 352,089	\$ 290,755
Special events				
Revenue	58,125	-	58,125	87,750
Expenses	(53,173)	-	(53,173)	(34,151)
TOTAL SUPPORT	<u>246,447</u>	<u>110,594</u>	<u>357,041</u>	<u>344,354</u>
REVENUE				
Government funded services	564,817	-	564,817	404,670
Education and engagement	1,816	-	1,816	2,444
Training and conferences	49,141	-	49,141	15,900
Other services	199,021	-	199,021	262,418
Other revenue	7,598	-	7,598	2,435
TOTAL REVENUE	<u>822,393</u>	<u>-</u>	<u>822,393</u>	<u>687,867</u>
NET ASSETS RELEASED FROM RESTRICTION				
Satisfaction of program restrictions	95,873	(95,873)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,164,713</u>	<u>14,721</u>	<u>1,179,434</u>	<u>1,032,221</u>
EXPENSES				
PROGRAM SERVICES	921,056	-	921,056	830,270
SUPPORT SERVICES				
Management and general	148,026	-	148,026	103,230
Fundraising	74,424	-	74,424	45,894
TOTAL EXPENSES	<u>1,143,506</u>	<u>-</u>	<u>1,143,506</u>	<u>979,394</u>
CHANGE IN NET ASSETS	21,207	14,721	35,928	52,827
PRIOR PERIOD ADJUSTMENT	-		-	37,645
NET ASSETS, BEGINNING OF YEAR	<u>329,435</u>	<u>95,873</u>	<u>425,308</u>	<u>334,836</u>
NET ASSETS, END OF YEAR	<u>\$ 350,642</u>	<u>\$ 110,594</u>	<u>\$ 461,236</u>	<u>\$ 425,308</u>

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

PREVENT CHILD ABUSE MINNESOTA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Pledges and contributions	\$ 260,755	\$ 30,000	\$ 290,755
Special events			
Revenue	87,750	-	87,750
Expenses	(34,151)	-	(34,151)
TOTAL SUPPORT	314,354	30,000	344,354
REVENUE			
Government funded services	305,050	99,620	404,670
Education and engagement	2,444	-	2,444
Training and conferences	15,900	-	15,900
Other services	262,418	-	262,418
Other revenue	2,435	-	2,435
TOTAL REVENUE	588,247	99,620	687,867
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	33,747	(33,747)	-
TOTAL SUPPORT AND REVENUE	936,348	95,873	1,032,221
EXPENSES			
PROGRAM SERVICES	830,270	-	830,270
SUPPORT SERVICES			
Management and general	103,230	-	103,230
Fundraising	45,894	-	45,894
TOTAL EXPENSES	979,394	-	979,394
CHANGE IN NET ASSETS	(43,046)	95,873	52,827
PRIOR PERIOD ADJUSTMENT	37,645		37,645
NET ASSETS, BEGINNING OF YEAR	334,836	-	334,836
NET ASSETS, END OF YEAR	\$ 329,435	\$ 95,873	\$ 425,308

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

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Supporting Services			2017 Total	2016 Total
	Program Services	Management and General	Fundraising		
PERSONNEL COSTS					
Salaries and wages	\$ 472,028	\$ 63,109	\$ 40,710	\$ 103,819	\$ 518,279
Payroll taxes	34,298	5,060	3,024	8,084	38,586
Employee benefits	63,236	19,932	9,029	28,961	94,113
TOTAL PERSONNEL COSTS	569,562	88,101	52,763	140,864	650,978
EXPENSES					
Grants and allocations	83,846	-	-	-	76,301
Professional fees/contracted services	101,097	27,405	4,551	31,956	62,704
Supplies	18,762	5,064	1,356	6,420	14,975
Telephone and internet	6,779	2,191	447	2,638	12,920
Postage and shipping	2,536	399	681	1,080	3,522
Occupancy	21,240	6,048	3,133	9,181	20,579
Printing and publications	5,980	1,317	2,137	3,454	1,918
Travel	55,793	2,048	817	2,865	54,478
Conferences and meetings	18,124	(75)	900	825	24,985
Advertising	233	115	-	115	273
Insurance	5,911	3,995	774	4,769	5,446
Miscellaneous	4,499	4,203	2,917	7,120	9,694
Volunteers and staff development	15,963	3,214	2,478	5,692	15,828
Equipment rental and maintenance	8,006	3,576	1,081	4,657	20,299
TOTAL EXPENSES BEFORE DEPRECIATION	918,331	147,601	74,035	221,636	974,900
Depreciation	2,725	425	389	814	4,494
TOTAL EXPENSES	\$ 921,056	\$ 148,026	\$ 74,424	\$ 222,450	\$ 1,143,506

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

PREVENT CHILD ABUSE MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
PERSONNEL COSTS					
Salaries and wages	\$ 442,383	\$ 39,932	\$ 35,964	\$ 75,896	\$ 518,279
Payroll taxes	32,440	4,533	1,613	6,146	38,586
Employee benefits	86,844	2,202	5,067	7,269	94,113
TOTAL PERSONNEL COSTS	561,667	46,667	42,644	89,311	650,978
EXPENSES					
Grants and allocations	76,301	-	-	-	76,301
Professional fees/contracted services	36,459	26,229	16	26,245	62,704
Supplies	11,537	3,333	105	3,438	14,975
Telephone and internet	10,990	1,825	105	1,930	12,920
Postage and shipping	2,919	397	206	603	3,522
Occupancy	18,720	1,191	668	1,859	20,579
Printing and publications	1,215	255	448	703	1,918
Travel	51,018	3,200	260	3,460	54,478
Conferences and meetings	22,154	2,778	53	2,831	24,985
Advertising	273	-	-	-	273
Insurance	1,407	3,897	142	4,039	5,446
Miscellaneous	4,105	5,040	549	5,589	9,694
Volunteers and staff development	14,165	1,413	250	1,663	15,828
Equipment rental and maintenance	17,205	2,646	448	3,094	20,299
TOTAL EXPENSES BEFORE DEPRECIATION	830,135	98,871	45,894	144,765	974,900
Depreciation	135	4,359	-	4,359	4,494
TOTAL EXPENSES	\$ 830,270	\$ 103,230	\$ 45,894	\$ 149,124	\$ 979,394

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

PREVENT CHILD ABUSE MINNESOTA
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 35,928	\$ 52,827
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	3,539	4,358
(Increase) decrease in operating assets		
Pledges receivable	(300)	4,525
Accounts receivable	(88,925)	(44,870)
Prepaid expenses and other current assets	(8,238)	(3,563)
Grants receivable	30,000	(30,000)
Other assets	12,752	-
Increase (decrease) in liabilities:		
Accounts payable	5,026	(5,623)
Accrued expenses	20,267	7,092
	10,049	(15,254)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	10,049	(15,254)
CHANGE IN CASH AND CASH EQUIVALENTS	10,049	(15,254)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	231,901	247,155
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 241,950	\$ 231,901

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

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Minnesota Communities Caring for Children (MCCC), home of Prevent Child Abuse Minnesota and the Minnesota Circle of Parents®, 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 38 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 40 counties and 7 tribal areas. 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 regional staff 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.

MCCC embarked on developing a strategic plan for fiscal years 2018 through 2020 during FY17. This planning process resulted in a revised mission, vision, values, and goals for the next three years. The mission is to **empower** parents and communities to build **supportive** relationships, **nurture** children, and **prevent** child abuse and neglect. We envision a state where all children are given the opportunity for a healthy future. Values are as follows: Strengths of All Parents – All parents need to be supported in their efforts to develop their strengths as caring adults.; Amplifying the Parent's Voice – By amplifying their voices, parents can find the efficacy and power to affect change in the home and the community.; Combining Science with Community Wisdom – The best approaches to preventing child abuse combine science-based strategies with community wisdom.; Transforming Systems – Working together, parents and communities can transform punitive systems and negative cultural norms into successful approaches that address violence, trauma, and racism. The major goals fall into four categories: Caring and Competent Parents – The parents we work with can cope with stress, solve problems, and affect change.; High Capacity Communities – The communities we work with expand leadership to advance shared learning and results-oriented decision making.; Supportive Public – We work on shifting the public mindset from punishing parents to supporting them.; Sustainable Organization – We strengthen our ability to sustain our work and scale its impact.

Our Work

Circle of Parents®:

As the Minnesota chapter of Circle of Parents, MCCC partners with communities to offer peer-led, mutual self-help support groups for parents and children throughout the state. At group sessions, parents support each other and develop leadership skills that transfer to their families and communities. Participants meet 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 volunteer facilitators that are trained by MCCC staff.

Multiple research studies show that Circle of Parents successfully increases *protective factors* – attributes that strengthen families and reduce the likelihood that child abuse will occur. Research demonstrates that parents report positive changes in parenting after they have attended eleven or more sessions and additional improvement after attendance of twenty-five or more sessions. Nearly all respondents reported that they are more confident in their parenting skills as a result of attending Circle of Parents sessions (98%). The vast majority of respondents also reported that they have gained additional supportive contacts, become more aware of local family resources, better understand childhood development, and interact more positively with their children (84%-93%) as a result of Circle of Parents.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In FY17, Circle of Parents served 1,261 parents in 43 parent groups and 758 children in 25 children's groups (offering a total of 2,680 individual meetings). More than 495 referrals to resources including community education, mental health, job training, health care, crisis nursery, social services, WIC, ECFE/Head Start, mentoring program and food shelves were made to parent participants.

ACE Interface Training Program:

The Adverse Childhood Experiences (ACE) Study and subsequent research studies demonstrate that exposure to adversity early in life can lead to negative health and social outcomes in adulthood. Using the national ACE Interface curriculum, MCCC develops the capacity of individuals as certified ACE Interface Trainers and Presenters so that they can raise awareness about the effects of trauma and the promise of prevention in their communities.

In Fiscal Year 2017 (FY17) – 7/1/16-6/30/17 – MCCC trained 89 ACE Interface Presenters, adding to 134 previously trained ACE Interface Trainers and Presenters statewide. Concentrations of 5 or more certified Trainers and Presenters are located in Carlton, Crow Wing, Hennepin, Ramsey, and Stearns counties. Also in FY17, ACE Interface Trainers and Presenters provided more than 145 educational presentations to over 1,000 individuals in 30 counties.

A FY17 survey of 1,181 presentation attendees showed that 94% of respondents found the ACE Interface presentation informative and thought provoking. Of those surveyed, 88% of respondents reported that they will incorporate their new knowledge about Adverse Childhood Experiences and resilience into their actions at work and more than 83% said that they will incorporate this knowledge into their actions at home and in their families.

Tribal Community Wisdom Project:

In partnership with The Blue Cross Blue Shield of MN Center for Prevention, the Tribal Community Wisdom Project began in 2015 with the aim of building the capacity of tribal communities to address challenging health and social issues related to childhood trauma. This project has three stages: 1) raising awareness about trauma and resilience by providing ACE Interface presentations, 2) training up to 30 presenters in the ACE Interface curriculum to build capacity and broaden community awareness, and 3) facilitating community-driven action planning to identify key strategies that the community will leverage to support healing and building resilience.

In FY17, MCCC partnered with four tribes on this project – White Earth, Fond du Lac, Lower Sioux, and Leech Lake. More than 300 people across the four communities have been reached by ACE Interface presentations and 73 people from the first three communities have been trained as ACE Interface presenters. White Earth and Fond du Lac communities are now implementing their action plans with funding from The Blue Cross Blue Shield of MN Center for Prevention.

Parent Leadership for Child Safety and Permanency (PLCSP) Team:

The PLCSP Team has been a partnership of MCCC and the MN Department of Human Services (MN DHS) division of Child Safety and Permanency since 2009. The program seeks to empower parents in the prevention of child maltreatment and to give parents a voice within MN DHS for improving the child protection system, particularly in reducing racial disparities.

As part of this program, leadership training is provided to a group of approximately 20 Parent Consultants one day per month over a three-year period. Funding is also available for parents to attend other trainings or conferences to build knowledge and connections. The intent is to increase Parent Consultants' skills and influence so they can effectively articulate their experience, add value in their communities and on task forces within MN DHS, and ultimately contribute to a reduction in incidents of abuse, neglect and out-of-home placement (foster care). The program uses a shared leadership model, involving a partnership between parents and staff who share responsibility for team processes and outcomes.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In FY17, 42 Parent Consultants performed awareness activities in their communities. These Parent Consultants worked approximately 1,700 hours advising service providers, raising awareness statewide about family resilience and community needs and enhancing their own knowledge and skills. For Parent Recognition Month (February), MCCC celebrated 27 parents at an event which included families, legislators and community-based stakeholders.

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 FY17 MCCC's Facebook page was liked by 2,819 people and an average of 114 people interacted with MCCC's Facebook page each week.

Each year MCCC offers a spring webinar series. The FY17 webinar series consisted of four webinars on topics including trauma-informed schools, world view, emotional intelligence, and parent leadership. There was an average of 40 participants in each webinar. 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." The recording of the "Trauma Informed Approaches in Minnesota Schools" presentation was viewed 148 times in FY17.

MCCC staff members are also present at community events statewide to share information about prevention and to facilitate dialogue about child maltreatment through Café conversation events. In FY17 MCCC staff facilitated 6 Café events for more than 66 community members. In a FY17 survey of Café attendees, 88% of respondents said that they learned something that will help them as a parent/caregiver; more than 89% of respondents reported that the Café was helpful; more than 90% of respondents stated that they would recommend a Café to others.

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, 2017 and 2016, the Organization had no permanently restricted net assets. As of June 30, 2016, the Organization had no temporarily restricted net assets.

Cash Equivalents

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

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

Furniture and Equipment

Furniture and equipment are presented at cost or donated (appraised) value. The Organization generally capitalizes all assets over \$2,500. Depreciation is computed on the straight-line or declining balance basis over the estimated useful lives, currently 3 to 7 years.

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.

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.

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.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs incurred were \$348 and \$293 for the years ended June 30, 2017 and 2016, respectively.

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.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2017 and 2016, 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 2013 are closed. No returns are currently under examination in any tax jurisdiction.

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.

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.

Subsequent Events

Subsequent events were evaluated through November 15, 2017 November 15, 2017, which is the date the financial statements were available to be issued.

Change in Accounting Policy

The Organization changed its accounting policy for recognizing unemployment funds held by others from an expense to an asset. See Note 8 for effect of this accounting change.

Note 2: UNEMPLOYMENT FUND

The Organization has elected to opt out of participation in the Minnesota Unemployment Insurance program. The Organization is self-insured for unemployment claims through Unemployment Services Trust (UST). Payments to UST are accumulated and used to pay future claims. An expense is recorded as claims are paid by UST. Prevent Child Abuse Minnesota believes there is no significant liability for claims incurred but not reported at June 30, 2017. The Organization could be required to make additional payments if claims exceeded the accumulated contributions.

Note 3: 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 4: PLEDGES RECEIVABLE

The balance of all promises to give was \$6,275 and \$5,975 as of June 30, 2017 and 2016, respectively. There were no promises to give due in more than 1 year, so accordingly, no allowance for uncollectible pledges has been recorded.

PREVENT CHILD ABUSE MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Note 5: 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 2017, no match will be funded until the end of the calendar year in accordance with the Plan document. Employee match expense incurred for the 2016 fiscal year was \$2,768.

Note 6: TEMPORARILY RESTRICTED NET ASSETS

The Organization had the following temporarily restricted net assets at June 30, 2017 and 2016:

	2017	2016
Blue Cross Blue Shield - ACEs Tribal Project	\$ 34,894	\$ 5,000
Bigelow Foundation - ACEs East Metro	24,750	-
St. Paul Foundation - ACEs East Metro	23,950	-
Mardag Foundation - ACEs Brainerd	22,000	-
MRAC - PLSCP	5,000	-
Butler - general operations	-	30,000
DHS Disparities - Parent Mentor Program	-	21,515
Sauer - Parent Mentor Program	-	20,000
Grant County - Parent Mentor Program	-	19,358
	\$ 110,594	\$ 95,873

Note 7: LEASES

The Organization leases office facilities under a noncancellable operating lease that expires December 31, 2018. Rent expense for the years ended June 30, 2017 and 2016 was \$26,872 and \$20,579, respectively. The future minimum lease payments required under the lease at June 30, 2017 is as follows:

June 30, 2018	\$ 31,334
June 30, 2019	15,667

The Organization also leases equipment and office space under short term agreements. The total payments under these equipment leases were \$4,444 for 2017 and \$7,522 for 2016.

Note 8: PRIOR PERIOD ADJUSTMENT

The Organization changed its accounting policy for recognizing unemployment funds held by others to an asset and it had the following effect on net assets:

Net assets at June 30, 2016, before restatement	\$ 387,663
Prior period adjustment - change in accounting policy:	
Recognition of unemployment funds asset	37,645
Net assets at June 30, 2016, as restated	\$ 425,308