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Certified Public Accountants  
and Consultants

February 12, 2015

Donna Pygott  
Vice President and Chief Financial Officer  
Prevent Child Abuse North Carolina  
3716 National Drive, Suite 118  
Raleigh, NC 27612

Dear Ms. Pygott,

Please find attached the following *final* documents relating to our audit of Prevent Child Abuse North Carolina (the “Organization”) for the year ended June 30, 2014. The following documents are attached:

**1. Final audited financial statements and compliance section**

**2. Report to the Organization’s Board of Directors– AU-C 260**

This report relates to communications required under AU-C 260, *The Auditor’s Communication With Those Charged with Governance*. This report applies to all nonpublic entities and requires auditors to communicate matters that are significant and relevant to those charged with governance and overseeing the financial reporting process.

**3. Report to the Organization’s Board of Directors– AU-C 265**

This report relates to communications required under AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*. This Statement establishes standards and provides guidance on the auditor’s responsibilities for identifying, evaluating, and communicating matters related to an entity’s internal control over financial reporting identified in an audit of the financial statements.

**4. Management letter comments**

The management letter communicates other matters noted during an audit that do not rise to the level of those required to be communicated in the AU-C 265 report described above. There were no management letter comments for the year ended June 30, 2014.

**5. Corrected misstatements - audit adjustments**

Professional standards require us to communicate all known and likely misstatements identified during an audit, other than those that are trivial, and communicate them to the appropriate level of management. An audit adjustment is defined as a proposed correction of the financial statements that may not have been detected except through our auditing procedures.

The three (3) audit adjustments, which include one (1) adjustment provided by the Organization for the year ended June 30, 2014, are enclosed.

**6. Uncorrected misstatements (passed audit adjustments)**

A passed audit adjustment is an observation detected through our auditing procedures that is not corrected (reported as an audit adjustment) due to its immateriality in relation to the financial statements as a whole.

The one (1) passed audit adjustment for the year ended June 30, 2014 is enclosed.

**7. Adjusted trial balance (Grouping Schedule Report)**

This report, which supports balances reported in the June 30, 2014 audited financial statements, presents the Organization's final trial balance after inclusion of the three (3) audit adjustments.

**Payment arrangements**

In accordance with our payment arrangements, we have enclosed our invoice number 13160 dated February 12, 2015, in the amount of \$3,600.00 representing professional services rendered to date on this year's engagement.

We truly appreciate the courtesy and professionalism exhibited by the Organization's management team and staff throughout this engagement.

If you have any questions, please contact Diane Haley, senior manager at (919) 544-0555 extension 110, or me at extension 105.

Sincerely,



Bruce L. Thomas, CPA, Esq.  
Member

Attachments

**PREVENT CHILD ABUSE, NORTH CAROLINA INC.**  
Raleigh, North Carolina

**Audited Financial Statements  
and  
Compliance Section**

Years Ended June 30, 2014 and 2013



PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**TABLE OF CONTENTS**  
Years Ended June 30, 2014 and 2013

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	<u><b>Page(s)</b></u>
<b>Report of Independent Auditors</b> .....	1-2
<b>Audited Financial Statements</b>	
Statements of Financial Position.....	3
Statements of Activities .....	4-5
Statements of Cash Flows.....	6
Statements of Functional Expenses.....	7-8
Notes to the Financial Statements.....	9-15
<b>Compliance Section</b>	
Report on Internal Control over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing</i> Standards.....	16-17
Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Act.....	18-19
Schedule of Expenditures of Federal Awards.....	20
Note to Schedule of Expenditures of Federal Awards.....	20
Schedule of Findings and Questioned Costs.....	21
Summary of Prior Year Audit Findings.....	22



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## **Report of Independent Auditors**

To the Board of Directors  
Prevent Child Abuse, North Carolina Inc.  
Raleigh, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Prevent Child Abuse, North Carolina Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses 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 these financial statements in accordance with accounting 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves 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 the assessment of the risks of material misstatement of the 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 the Organization as of June 30, 2014 and 2013, and the changes in its net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* on page 20, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2015 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*James S. Gibbs CA, PLLC*

Durham, North Carolina  
February 3, 2015

## PREVENT CHILD ABUSE, NORTH CAROLINA INC.

## STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents (note 2)	\$ 1,055,189	\$ 732,840
Grants and contracts receivable (note 3)	96,274	62,976
Accounts receivable	66,827	15,941
Prepaid expenses	18,661	23,735
Total current assets	<u>1,236,951</u>	<u>835,492</u>
Property and equipment, net (note 4)	<u>20,637</u>	<u>24,676</u>
Total non current assets	<u>20,637</u>	<u>24,676</u>
Total assets	<u>\$ 1,257,588</u>	<u>\$ 860,168</u>
<b>Liabilities and net assets</b>		
Liabilities		
Accounts payable & accrued expenses	79,559	57,589
Accrued paid time off (note 13)	31,198	26,196
Deferred revenue (note 5)	704,262	304,148
Total liabilities	<u>815,019</u>	<u>387,933</u>
Net assets		
Unrestricted	366,996	356,555
Temporarily restricted (note 6)	75,573	115,680
Total net assets	<u>442,569</u>	<u>472,235</u>
Total liabilities and net assets	<u>\$ 1,257,588</u>	<u>\$ 860,168</u>

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>			
Contributions	\$ 160,769	\$ -	\$ 160,769
Conference and training	30,630	-	30,630
Special events	18,105	-	18,105
Contracts	530,071	-	530,071
Grants	892,528	75,000	967,528
Membership dues	100,685	-	100,685
Interest income	3,004	-	3,004
Other income	40,341	-	40,341
Total revenue	<u>1,776,133</u>	<u>75,000</u>	<u>1,851,133</u>
Net assets released from restrictions (note 7)	<u>115,107</u>	<u>(115,107)</u>	<u>-</u>
Total support and revenues	<u>1,891,240</u>	<u>(40,107)</u>	<u>1,851,133</u>
<b>Expenses</b>			
Program services	1,672,730	-	1,672,730
Management and general	112,280	-	112,280
Fundraising	95,789	-	95,789
Total expenses	<u>1,880,799</u>	<u>-</u>	<u>1,880,799</u>
Change in net assets	10,441	(40,107)	(29,666)
Net assets, beginning of year	<u>356,555</u>	<u>115,680</u>	<u>472,235</u>
Net assets, end of year	<u>\$ 366,996</u>	<u>\$ 75,573</u>	<u>\$ 442,569</u>

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



## PREVENT CHILD ABUSE, NORTH CAROLINA INC.

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>			
Contributions	\$ 171,186	\$ -	\$ 171,186
Conference and training	85,767	-	85,767
Special events	15,237	-	15,237
Contracts	611,630	-	611,630
Grants	453,788	85,500	539,288
Membership dues	89,860	-	89,860
Interest income	3,438	-	3,438
Other income	48	-	48
Total revenue	<u>1,430,954</u>	<u>85,500</u>	<u>1,516,454</u>
Net assets released from restrictions (note 7)	451,993	(451,993)	-
Total support and revenues	<u>1,882,947</u>	<u>(366,493)</u>	<u>1,516,454</u>
<b>Expenses</b>			
Program services	1,710,432	-	1,710,432
Management and general	75,524	-	75,524
Fundraising	93,992	-	93,992
Total expenses	<u>1,879,948</u>	<u>-</u>	<u>1,879,948</u>
Change in net assets	2,999	(366,493)	(363,494)
Net assets, beginning of year	<u>353,556</u>	<u>482,173</u>	<u>835,729</u>
Net assets, end of year	<u>\$ 356,555</u>	<u>\$ 115,680</u>	<u>\$ 472,235</u>

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Operating activities</b>		
Change in net assets	\$ (29,666)	\$ (363,494)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	9,768	5,839
Changes in operating assets and liabilities:		
Grants and contracts receivable, net	(33,298)	(23,122)
Accounts receivable	(50,886)	(3,601)
Prepaid expenses	5,074	(8,000)
Accounts payable	21,970	34,626
Accrued paid time off	5,002	752
Deferred revenue	<u>400,114</u>	<u>198,580</u>
Net cash provided (used) by operating activities	328,078	(158,420)
Cash flows from investing activities		
Cash paid for purchases of fixed assets	(5,729)	(23,617)
Cash received for disposal of fixed assets	<u>-</u>	<u>652</u>
Net cash used by investing activities	(5,729)	(22,965)
Net increase (decrease) in cash and cash equivalents	322,349	(181,385)
Cash and cash equivalents, beginning of year	<u>732,840</u>	<u>914,225</u>
Cash and cash equivalents, end of year	<u>\$ 1,055,189</u>	<u>\$ 732,840</u>

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2014

	Program Services				Support Services			Total Expenses	
	Public Education	Prevention Programs	Training	Other Programs	Total Program Services	Management and General	Fundraising		Total Support Services
Salaries	\$ 5,654	\$ 934,242	\$ -	\$ 42,055	981,951	\$ 57,210	\$ 53,349	\$ 110,559	\$ 1,092,510
Fringe benefits and payroll taxes	1,227	224,209	-	16,374	241,810	17,645	12,091	29,736	271,546
Travel	974	22,174	3,809	1,387	28,344	1,649	1,991	3,640	31,984
Telephone/internet	19	8,430	-	1	8,450	576	629	1,205	9,655
Postage	2,662	3,320	-	4,243	10,225	248	1,266	1,514	11,739
Supplies	15	5,467	-	143	5,625	718	2,090	2,808	8,467
Printing and reproduction costs	3	265	-	2	270	187	2,190	2,377	2,647
Special events expenses	-	-	-	-	-	-	3,741	3,741	3,741
Public awaweses	32,738	1,035	-	39	33,812	418	77	495	34,307
Training expenses	-	54,474	11,509	59	66,042	-	-	-	66,042
Office and equipment expenses	293	62,445	-	1,979	64,717	3,193	4,807	8,000	72,717
Outside consultants and services	51,361	165,854	-	608	217,823	17,816	9,130	26,946	244,769
Fees and service charges	-	592	-	2,370	2,962	863	3,561	4,424	7,386
Audit	-	-	-	2,036	2,036	11,489	-	11,489	13,525
Depreciation	-	2,733	-	5,930	8,663	268	867	1,135	9,764
Totals	\$ 94,946	\$ 1,485,240	\$ 15,318	\$ 77,226	\$ 1,672,730	\$ 112,280	\$ 95,789	\$ 208,069	\$ 1,880,799

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2013

	Program Services					Support Services			Total Expenses
	Public Education	Prevention Programs	Training	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 50,516	\$ 654,842	\$ 59,110	\$ 57,314	\$ 821,782	\$ 38,628	\$ 57,066	\$ 95,694	\$ 917,476
Fringe benefits and payroll taxes	9,208	166,555	10,414	27,651	213,828	9,942	13,749	23,690	237,519
Travel	-	21,228	2,182	557	23,967	212	1,702	1,914	25,881
Telephone/internet	34	9,525	271	329	10,159	963	694	1,657	11,816
Postage	3,011	1,698	2,195	3,595	10,499	615	1,616	2,231	12,730
Supplies	8	2,003	49	972	3,033	103	442	545	3,578
Printing and reproduction costs	-	532	50	551	1,133	1,401	1,542	2,944	4,077
Special events expenses	-	-	-	-	-	-	2,676	2,676	2,676
Public awarneses	44,846	467	-	-	45,313	1,670	65	1,735	47,048
Training expenses	9	63,932	102,090	627	166,657	63	73	136	166,793
Office equipment expenses	426	52,248	2,104	6,476	61,254	2,925	4,435	7,360	68,614
Outside consultants and services	50,000	269,559	24,510	1,042	345,111	13,464	5,029	18,493	363,604
Fees and service charges	1	262	9	1,850	2,122	1,490	4,185	5,676	7,797
Audit	-	-	-	-	-	4,500	-	4,500	4,500
Depreciation	-	1,030	-	4,543	5,573	(452)	718	266	5,839
<b>Totals</b>	<b>\$ 158,060</b>	<b>\$ 1,243,880</b>	<b>\$ 202,984</b>	<b>\$ 105,508</b>	<b>\$ 1,710,432</b>	<b>\$ 75,524</b>	<b>\$ 93,992</b>	<b>\$ 169,516</b>	<b>\$ 1,879,948</b>

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**Note 1 – Nature of activities and significant accounting policies**

Prevent Child Abuse, North Carolina Inc., (the “Organization”) was formed January 1, 1979 for educational, scientific, and charitable purposes. The Organization is dedicated to the prevention of child abuse and neglect in all its forms. The Organization is supported mainly through federal and private grants.

**Basis of accounting** - The Organization uses the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

**Basis of presentation** - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification (ASC) Topic 958-205, *Not-for-profit Entities – Presentation of Financial Statements*. Under ASC Topic 958-205, the Organization 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. Net assets are defined 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 stipulation that require actions of the Organization or the passage of time. When a restriction expires as a result of the lapse of a time requirement or achievement of the specific operating purpose stipulated, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are available to be used primarily to meet program requirements.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations or interpretation of applicable law that they be maintained permanently by the Organization. The Organization has no permanently restricted net assets at June 30, 2014 or 2013.

**Revenue recognition** - The Organization follows ASC Topic 985-605, *Revenue Recognition*. In accordance with ASC 985-605, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted net assets.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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**Note 1 – Nature of activities and significant accounting policies (continued)**

**Advertising** - The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2014 and 2013 is \$0.

**Property and equipment** – Furniture and equipment are recorded at cost. It is the Organization’s policy that equipment expenditures costing less than \$500 are expensed. The fair values of donated fixed assets are also capitalized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

**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 that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been made in the accompanying statements.

**Uncertain tax positions** - FASB ASC-740-10, *Income Taxes*, provides guidance for reporting uncertainty in income taxes. For the year ended June 30, 2014, the Organization has considered FASB ASC 740-10, as amended by Accounting Standards Update (ASU) 2009-06, and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. The statutes of limitations for the Organization’s Forms 990 for fiscal years ending June 30, 2011 through June 30, 2014 remain open at June 30, 2014.

**Expense allocation** – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 2 – Cash and cash equivalents**

Cash equivalents consist of short-term, highly liquid investments, with original maturities at time of purchase of less than ninety days.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2014 and 2013

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**Note 2 – Cash and cash equivalents (continued)**

The Organization had the following cash and cash equivalents balances available for operations as of June 30, 2014 and 2013:

	2014	2013
Checking	\$ 897,219	\$ 449,284
Money market	150,667	250,233
Undeposited funds	7,304	33,324
Total	\$ 1,055,189	\$ 732,840

**Note 3 – Grants and contracts receivable**

At June 30, 2014 and 2013, the Organization is due the following amounts:

	2014	2013
North Carolina Division of Social Services	\$ 89,593	\$ 62,976
North Carolina Department of Public Health	6,681	-
	\$ 96,274	\$ 62,976

**Note 4 – Property and equipment, net**

Property and equipment consist of the following at June 30, 2014 and 2013:

	2014	2013
Furniture	\$ 15,784	\$ 15,784
Equipment	43,631	54,014
Total property and equipment	59,415	69,798
Less accumulated depreciation	(38,778)	(45,122)
Property and equipment, net	\$ 20,637	\$ 24,676

The Organization recognized depreciation expense of \$9,768 and \$5,839 for the years ended June 30, 2014 and 2013, respectively.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**Note 5 – Deferred revenue**

The Organization records grant awards accounted for as exchange transactions as deferred revenue until related services are performed, at which time they are recognized as revenue. Deferred revenue is also recorded for membership dues collected in advance.

At June 30, 2014 and 2013, deferred revenue consists of:

	<u>2014</u>	<u>2013</u>
Kate B. Reynolds Charitable Trust	\$ 82,563	\$ 55,000
The Duke Endowment	601,174	244,448
Membership dues	20,025	4,200
Other	500	500
	<u>\$ 704,262</u>	<u>\$ 304,148</u>

**Note 6 – Temporarily restricted net assets**

The following temporarily restricted net assets are available for prevention programs including Incredible Years and Strengthening Families at June 30, as indicated:

	<u>2014</u>	<u>2013</u>
The Duke Endowment	\$ -	\$ 33,400
Ms. Foundation for Women	75,573	57,280
The Eshelman Foundation	-	25,000
	<u>\$ 75,573</u>	<u>\$ 115,680</u>



PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2014 and 2013

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**Note 7 – Net assets released from restrictions**

During the years ended June 30, 2014 and 2013, temporarily restricted net assets totaling \$115,107 and \$451,993 were released due to satisfaction of purpose restrictions.

	2014	2013
The Duke Endowment	\$ 33,400	\$ 365,600
Ms. Foundation for Women	56,707	46,393
The Eshelman Foundation	25,000	40,000
Kate B. Reynolds Foundation	-	-
	<u>\$ 115,107</u>	<u>\$ 451,993</u>

**Note 8 – Concentrations**

The Organization holds its cash and cash equivalents in North Carolina based banks. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There are uninsured cash account balances of \$130,933 and \$219,123 at June 30, 2014 and 2013, respectively.

Concentrations in grant funds for the years ended June 30, 2014 and 2013 are summarized below.

	2014	2013
The Duke Endowment	30%	25%
Kate B. Reynolds Foundation	10%	13%
North Carolina DSS (federal pass-through)	32%	36%
Other sources	28%	26%
	<u>100%</u>	<u>100%</u>

**Note 9 – Lease commitments**

The Organization leases its office space under a four year operating lease agreement. In addition, the Organization leases certain equipment under leases which expire at various times through 2019. Rent expense under the office and equipment leases was approximately \$52,000 for the year ended June 30, 2014 and \$45,385 for the year ended June 30, 2013.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**Note 9 – Lease commitments (continued)**

Future minimum payments, by year and in aggregate, under operating leases with remaining terms of one year or more are as follows at June 30, 2014:

Year Ending June 30	Amount
2015	\$ 55,339
2016	11,540
2017	1,344
2018	1,344
2019	336
	<u>\$ 69,903</u>

**Note 10 – Description of program services**

**Prevention Programs** – Administer the Incredible Years, Strengthening Families Program 6-11, Circle of Parents and NC Nurse-Family Partnership Initiative by offering coaching, implementation support, technical assistance, pre-service training, professional networks, sustainability, and leadership development. Cultivate a Prevention Network to advocate for community-based prevention organizations, promote evidence-based programs and protect children from child sexual abuse.

**Public Education** - Statewide public awareness campaigns are designed to help communities understand the impact of child maltreatment and the importance of children’s healthy growth and development. Communities are provided with parenting materials, toolkits, statistics and research, information about access to parent support, an 800-line for information and referral services, and information about how to recognize and respond to child maltreatment.

**Training and Professional Development** – Provide statewide trainings, consultation, professional network opportunities and biennial learning & leadership summit. Conduct trainings online, through webinars and in person throughout the year to increase knowledge about child abuse and neglect prevention, and engage professionals and child advocates to build professional skills.

**Note 11 – Contingencies**

The Organization receives grant funds. Such funds are subject to final approval by the grantor agencies and deficiencies, if any, are the responsibility of the Organization.

The Organization has the usual obligations of a contractor for performance in connection with contracts for work performed and to be performed. Management does not anticipate any significant losses in connection with these grants.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**Note 12 – Retirement plan**

The Organization provides retirement benefits to its participating employees through a defined contribution plan. The Organization contributes four percent of each participant's eligible compensation to the plan. Contributions to the plan during the year ended June 30, 2014 and 2013 were \$43,200 and \$29,903, respectively.

**Note 13 – Accrued paid time off**

The Organization has a leave policy in which employees are allowed to carry over 10 days of accrued leave into the subsequent year. Accrued paid time off was \$31,198 and \$26,196 as of June 30, 2014 and 2013, respectively.

**Note 14 - Line of credit**

The Organization maintains a line of credit with Paragon Commercial Bank of \$75,000 which is unsecured. Advances under this agreement require interest payments monthly at prime rate plus 2% with a floor of 5%. At June 30, 2014 and 2013, there was no outstanding balance on the line of credit.

The Organization maintained a line of credit with PNC Bank of \$15,000 which is unsecured. Advances under this agreement were payable monthly at 1.5% of the outstanding principal plus interest at prime rate plus 5%. At June 30, 2013 there was no outstanding balance on the line of credit. The line of credit was closed on October 10, 2013.

**Note 15 – Subsequent events**

The Organization has evaluated subsequent events occurring after June 30, 2014 through February 3, 2015, which is the date the financial statements were available to be issued.

**PREVENT CHILD ABUSE, NORTH CAROLINA INC.**  
Raleigh, North Carolina

**Compliance Section**

Year Ended June 30, 2014



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Certified Public Accountants  
and Consultants

Independent Auditor's Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of  
Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Board of Directors  
Prevent Child Abuse, North Carolina Inc.  
Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Prevent Child Abuse, North Carolina Inc. (the "Organization"), as of and for the year ended June 30, 2014 and the related notes to the financial statements, and have issued our report thereon dated February 3, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*James S. Gibbs CMA, PLLC*

Durham North Carolina  
February 3, 2015



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Certified Public Accountants  
and Consultants

Independent Auditor's Report On Compliance For Each Major Program And On  
Internal Control Over Compliance In Accordance With  
Applicable Sections Of OMB Circular A-133 and the State Single Audit Act

To the Board of Directors  
Prevent Child Abuse, North Carolina Inc.  
Raleigh, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Prevent Child Abuse, North Carolina Inc., (the "Organization") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a material effect on its major federal program for the year ended June 30, 2014. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

## **Report on Internal Control over Compliance**

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the Organization's internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Thomas S. Gibbs CA, PLLC*

Durham, North Carolina  
February 3, 2015



PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2014

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>CFDA</u>	<u>Expenditures</u>
<b>Federal Awards</b>		
Pass-through Awards from North Carolina Division of Social Services:		
Child Abuse and Neglect	93.669	\$ 52,598
Community-based Child Abuse Prevention	93.590	419,219
Promoting Safe & Stable Families	93.556	<u>21,893</u>
Subtotal - Division of Social Services		<u>493,710</u>
Pass-through Awards from North Carolina Department of Public Health:		
North Carolina Essentials for Childhood	93.136	<u>36,361</u>
Subtotal - Department of Public Health		<u>36,361</u>
Total Federal Awards		<u><u>\$ 530,071</u></u>

**Notes to the Schedule of Expenditures of Federal Awards:**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the grant activity of Prevent Child Abuse, North Carolina Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2014

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued:	<b>Unmodified</b>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
• Significant deficiency(s) identified that are not considered material weaknesses?	_____ Yes	_____ <u>X</u> No	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No	

***Federal Awards***

Type of auditors’ report issued on compliance for major program:	<b>Unmodified</b>		
Internal control over major federal programs:			
• Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
• Significant deficiency(s) identified that are not considered material weaknesses?	_____ Yes	_____ <u>X</u> No	
Noncompliance material to federal awards?	_____ Yes	_____ <u>X</u> No	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____ Yes	_____ <u>X</u> No	

Identification of major programs:

<u>CFDA#</u>	<u>Program Name</u>
93.590	Community-based Child Abuse Prevention

Dollar threshold used to distinguish between Type A and Type B Programs	\$ <u>300,000</u>
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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PREVENT CHILD ABUSE, NORTH CAROLINA INC.  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2014

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**Section II – Financial Statement Findings**

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None reported.

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**Section III – Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV – Corrective Action Plan**

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Not applicable.

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**Section V – Schedule of Prior Year Audit Findings**

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Not applicable.



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Certified Public Accountants  
and Consultants

To the Board of Directors  
Prevent Child Abuse, North Carolina Inc.  
Raleigh, North Carolina

We have audited the financial statements of Prevent Child Abuse, North Carolina Inc. (the "Organization") for the year ended June 30, 2014, and have issued our report thereon dated February 3, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, government auditing standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 2, 2014. Professional standards also require that we communicate to you the following information related to our audit.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

#### *Corrected misstatements – audit adjustments*

Professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated).

There were three (3) audit adjustments made to the original trial balance presented to us to begin our audit. Two (2) adjustments were proposed by the auditor. One (1) adjustment was prepared by the Organization's CFO and presented to the auditor as a post-closing entry. The audit adjustments for the year ended June 30, 2014 are enclosed with this letter.

#### *Uncorrected misstatements – passed audit adjustments*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

There was one uncorrected misstatement (passed adjustment) for the year ended June 30, 2014.

#### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated February 3, 2015.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to Prevent Child Abuse, North Carolina Inc.

\* \* \* \* \*

This information is intended solely for the use of the Board of Directors of Prevent Child Abuse, North Carolina Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*James S. Gibbs CA, PLLC*

Durham, North Carolina  
February 3, 2015

Enclosure: Three (3) audit adjustments, June 30, 2014  
One (1) passed audit adjustment, June 30, 2014

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit	Impact on Change in Net Assets
<b>Adjusting Journal Entries JE # 1</b>					
To correct the opening balance of net assets to PY audited balances.		<b>6100.20</b>	<b>1</b>		
3900	3900 + Retained Earnings		34.00		
3900	3900 + Retained Earnings		115,680.00		
9910.00	9910.00 + Temp Restricted - Grant Various		82,280.00		
9915.00	9915.00 + Temp Restricted - Duke Grant		33,400.00		
3040.00	3040.00 + Temp. Restricted Net Assets			231,360.00	
5360.00	5360.00 + Supplies				
6310.01	6300.00 + Depreciation:6310.01 + Depreciation office furniture			34.00	
<b>Total</b>			<b><u>231,394.00</u></b>	<b><u>231,394.00</u></b>	-
<b>Adjusting Journal Entries JE # 2</b>					
To record CY disposal of fully depreciated equipment.		<b>4600.05</b>	<b>2</b>		
1700.00	1700.00 + Accumulated depreciation		16,146.00		
1300.00	1300.00 + Office Equipment			9,786.00	
1600.00	1300.00 + Office Equipment:1600.00 + Fixed Assets - Donated			6,360.00	
<b>Total</b>			<b><u>16,146.00</u></b>	<b><u>16,146.00</u></b>	-
<b>Adjusting Journal Entries JE # 5</b>					
To reclassify TR to deferred revenue		<b>7200.01</b>	<b>3</b>		
9915.00	9915.00 + Temp Restricted - Duke Grant		776,250.00		
2310.00	2310.00 + Deferred Revenue - Duke Grant			476,940.00	
4331.00	4331.00 + Grant - Duke Endowment			299,310.00	
9915.00	9915.00 + Temp Restricted - Duke Grant				
<b>Total</b>			<b><u>776,250.00</u></b>	<b><u>776,250.00</u></b>	(476,940)
	Unadjusted Net (Income) Loss				(476,940)
	Adjusted Net (Income) Loss				<b><u>(953,880)</u></b>

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3700.05 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 4</b>		<b>4200.05</b>		
To reclassify contracts receivable portion of A/R for financial statement presentation				
TG-1	Grants and contracts receivable		96,274.00	
1060.00	1060.00 + Accounts Receivable			96,274.00
<b>Total</b>			<b><u>96,274.00</u></b>	<b><u>96,274.00</u></b>



Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3700.10 - Passed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed Adjustments JE # 6</b>		<b>4600.05</b>		
To adjust depreciation to GAAP				
1700.00	1700.00 + Accumulated depreciation		2,529.00	
6310.01	6300.00 + Depreciation:6310.01 + Depreciation office furniture			1,067.00
6320.01	6300.00 + Depreciation:6320.01 + Depreciation office equipment			1,462.00
<b>Total</b>			<b><u>2,529.00</u></b>	<b><u>2,529.00</u></b>

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 6/30/2013	UNADJ 6/30/2014	JE Ref #	AJE	ADJ 6/30/2014	JE Ref #	RJE	FINAL 6/30/2014
<b>Group : [4100] Cash and Cash Equivalents</b>									
<b>Subgroup : [4100.00] Cash and Cash Equivalents-Unrestricted</b>									
1015.00	1015.00 + Paragon Checking	407,130.00	820,351.00		0.00	820,351.00		0.00	820,351.00
1025.00	1025.00 + PayPal Business	520.00	523.00		0.00	523.00		0.00	523.00
1034.00	1034.00 + PNC Interest Checking	41,634.00	76,344.00		0.00	76,344.00		0.00	76,344.00
1035.00	1035.00 + PNC Money Market	250,233.00	150,667.00		0.00	150,667.00		0.00	150,667.00
1499.00	1499.00 + Undeposited Funds	33,324.00	7,304.00		0.00	7,304.00		0.00	7,304.00
<b>Subtotal [4100.00] Cash and Cash Equivalents-Unrestricted</b>		<b>732,841.00</b>	<b>1,055,189.00</b>		<b>0.00</b>	<b>1,055,189.00</b>		<b>0.00</b>	<b>1,055,189.00</b>
<b>Total [4100] Cash and Cash Equivalents</b>		<b>732,841.00</b>	<b>1,055,189.00</b>		<b>0.00</b>	<b>1,055,189.00</b>		<b>0.00</b>	<b>1,055,189.00</b>
<b>Group : [4200] Receivables</b>									
<b>Subgroup : [4200.00] Accounts Receivable</b>									
1060.00	1060.00 + Accounts Receivable	71,311.00	160,704.00		0.00	160,704.00	RJE - 4	(96,274.00)	64,430.00
<b>Subtotal [4200.00] Accounts Receivable</b>		<b>71,311.00</b>	<b>160,704.00</b>		<b>0.00</b>	<b>160,704.00</b>		<b>(96,274.00)</b>	<b>64,430.00</b>
<b>Subgroup : [4200.35] Sales Tax Receivable</b>									
1100.00	1100.00 + Refundable Sales Tax Paid	7,599.00	2,390.00		0.00	2,390.00		0.00	2,390.00
1110.00	1100.00 + Refundable Sales Tax Paid:1110.00 + Refundable Food Tax Paid	7.00	7.00		0.00	7.00		0.00	7.00
<b>Subtotal [4200.35] Sales Tax Receivable</b>		<b>7,606.00</b>	<b>2,397.00</b>		<b>0.00</b>	<b>2,397.00</b>		<b>0.00</b>	<b>2,397.00</b>
<b>Total [4200] Receivables</b>		<b>78,917.00</b>	<b>163,101.00</b>		<b>0.00</b>	<b>163,101.00</b>		<b>(96,274.00)</b>	<b>66,827.00</b>
<b>Group : [4260] Grants and Contracts</b>									
<b>Subgroup : [4260.00] Grants and Contracts - Unrestricted</b>									
TG-1	Grants and contracts receivable	0.00	0.00		0.00	0.00	RJE - 4	96,274.00	96,274.00
<b>Subtotal [4260.00] Grants and Contracts - Unrestricted</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>96,274.00</b>	<b>96,274.00</b>
<b>Total [4260] Grants and Contracts</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>96,274.00</b>	<b>96,274.00</b>
<b>Group : [4400] Prepaid Expenses</b>									
<b>Subgroup : [4400.00] Prepaid Expenses</b>									
1290.20	1290.00 + Prepaid Expenses:1290.20 + Health Insurance	11,788.00	7,746.00		0.00	7,746.00		0.00	7,746.00
1290.40	1290.00 + Prepaid Expenses:1290.40 + Postage	1,740.00	380.00		0.00	380.00		0.00	380.00
1290.50	1290.00 + Prepaid Expenses:1290.50 + Deposits	3,737.00	2,305.00		0.00	2,305.00		0.00	2,305.00
1290.60	1290.00 + Prepaid Expenses:1290.60 + Work. Comp Insurance	905.00	1,497.00		0.00	1,497.00		0.00	1,497.00
1290.65	1290.00 + Prepaid Expenses:1290.65 + Prepaid D&O Insurance	0.00	1,009.00		0.00	1,009.00		0.00	1,009.00
1290.70	1290.00 + Prepaid Expenses:1290.70 + Coml. & Prop. Insurance	1,465.00	1,495.00		0.00	1,495.00		0.00	1,495.00
1290.80	1290.00 + Prepaid Expenses:1290.80 + Services	88.00	96.00		0.00	96.00		0.00	96.00
1290.90	1290.00 + Prepaid Expenses:1290.90 + Office Rent	4,013.00	4,133.00		0.00	4,133.00		0.00	4,133.00
<b>Subtotal [4400.00] Prepaid Expenses</b>		<b>23,736.00</b>	<b>18,661.00</b>		<b>0.00</b>	<b>18,661.00</b>		<b>0.00</b>	<b>18,661.00</b>
<b>Total [4400] Prepaid Expenses</b>		<b>23,736.00</b>	<b>18,661.00</b>		<b>0.00</b>	<b>18,661.00</b>		<b>0.00</b>	<b>18,661.00</b>
<b>Current Assets</b>		<b>835,494.00</b>	<b>1,236,951.00</b>		<b>0.00</b>	<b>1,236,951.00</b>		<b>0.00</b>	<b>1,236,951.00</b>
<b>Group : [4600] Property, Plant and Equipment</b>									
<b>Subgroup : [4600.00] Furniture and Fixtures</b>									
1310.00	1310.00 + Furniture and Fixtures	13,409.00	13,409.00		0.00	13,409.00		0.00	13,409.00
1311.00	1310.00 + Furniture and Fixtures:1311.00 + Furniture - Donated	2,375.00	2,375.00		0.00	2,375.00		0.00	2,375.00
<b>Subtotal [4600.15] Furniture and Fixtures</b>		<b>15,784.00</b>	<b>15,784.00</b>		<b>0.00</b>	<b>15,784.00</b>		<b>0.00</b>	<b>15,784.00</b>
<b>Subgroup : [4600.20] Office Equipment</b>									
1300.00	1300.00 + Office Equipment	37,444.00	43,207.00		(9,786.00)	33,421.00		0.00	33,421.00
1500.00	1300.00 + Office Equipment:1500.00 + Equipment - NC Grant	636.00	636.00	AJE - 2	(9,786.00)	636.00		0.00	636.00
1600.00	1300.00 + Office Equipment:1600.00 + Fixed Assets - Donated	15,934.00	15,934.00		(6,360.00)	9,574.00		0.00	9,574.00
<b>Subtotal [4600.20] Office Equipment</b>		<b>54,014.00</b>	<b>59,777.00</b>		<b>(16,146.00)</b>	<b>43,631.00</b>		<b>0.00</b>	<b>43,631.00</b>
<b>Subgroup : [4600.00] Accumulated Depreciation</b>									

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 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	ADJ	JE Ref #	RJE	FINAL
		6/30/2013	6/30/2014			6/30/2014			6/30/2014
1700.00	1700.00 + Accumulated depreciation	(45,122.00)	(54,924.00)		16,146.00	(38,778.00)		0.00	(38,778.00)
	<b>Subtotal [4600.60] Accumulated Depreciation</b>	<b>(45,122.00)</b>	<b>(54,924.00)</b>	AJE - 2	<b>16,146.00</b>	<b>(38,778.00)</b>		<b>0.00</b>	<b>(38,778.00)</b>
	<b>Total [4600] Property, Plant and Equipment</b>	<b>24,676.00</b>	<b>20,637.00</b>		<b>0.00</b>	<b>20,637.00</b>		<b>0.00</b>	<b>20,637.00</b>
	<b>Non-Current Assets</b>	<b>24,676.00</b>	<b>20,637.00</b>		<b>0.00</b>	<b>20,637.00</b>		<b>0.00</b>	<b>20,637.00</b>
	<b>TOTAL ASSET</b>	<b>860,170.00</b>	<b>1,257,588.00</b>		<b>0.00</b>	<b>1,257,588.00</b>		<b>0.00</b>	<b>1,257,588.00</b>
<b>Group : [5100] Accounts Payable</b>									
<b>Subgroup : [5100. Accounts Payable]</b>									
2000.00	2000.00 + Accounts Payable	(49,817.00)	(77,253.00)		0.00	(77,253.00)		0.00	(77,253.00)
	<b>Subtotal [5100.00] Accounts Payable</b>	<b>(49,817.00)</b>	<b>(77,253.00)</b>		<b>0.00</b>	<b>(77,253.00)</b>		<b>0.00</b>	<b>(77,253.00)</b>
<b>Subgroup : [5100. Sales Tax Payable]</b>									
2070.00	2070.00 + Sales Tax Payable	(312.00)	(747.00)		0.00	(747.00)		0.00	(747.00)
	<b>Subtotal [5100.25] Sales Tax Payable</b>	<b>(312.00)</b>	<b>(747.00)</b>		<b>0.00</b>	<b>(747.00)</b>		<b>0.00</b>	<b>(747.00)</b>
<b>Subgroup : [5100. Credit Card Payable]</b>									
2005.32	2005.00 + Credit Cards:2005.32 + Card # 3378	(4,455.00)	(578.00)		0.00	(578.00)		0.00	(578.00)
2005.40	2005.00 + Credit Cards:2005.40 + Card # 6929	(1,295.00)	(1,500.00)		0.00	(1,500.00)		0.00	(1,500.00)
2005.45	2005.00 + Credit Cards:2005.45 + RBC - 2512 K Schrader	0.00	(10.00)		0.00	(10.00)		0.00	(10.00)
2005.47	2005.00 + Credit Cards:2005.47 + RBC - 7501 Kathy Smith	(399.00)	(14.00)		0.00	(14.00)		0.00	(14.00)
2005.48	2005.00 + Credit Cards:2005.48 + RBC - 2488 K. Ingram	(1,293.00)	(3.00)		0.00	(3.00)		0.00	(3.00)
	<b>Subtotal [5100.30] Credit Card Payable</b>	<b>(7,442.00)</b>	<b>(2,105.00)</b>		<b>0.00</b>	<b>(2,105.00)</b>		<b>0.00</b>	<b>(2,105.00)</b>
	<b>Total [5100] Accounts Payable</b>	<b>(57,571.00)</b>	<b>(80,105.00)</b>		<b>0.00</b>	<b>(80,105.00)</b>		<b>0.00</b>	<b>(80,105.00)</b>
<b>Group : [5200] Accrued Liabilities</b>									
<b>Subgroup : [5200. Payroll Taxes Withheld and Accrued]</b>									
2100.00	2100.00 + Other Accrued Liabilities:2010.00 + Payroll taxes withheld	14,632.00	15,106.00		0.00	15,106.00		0.00	15,106.00
2010.10	2100.00 + Other Accrued Liabilities:2010.00 + Payroll taxes withheld:2010.10	(262,940.00)	(262,940.00)		0.00	(262,940.00)		0.00	(262,940.00)
2010.20	2100.00 + Other Accrued Liabilities:2010.00 + Payroll taxes withheld:2010.20	247,834.00	247,834.00		0.00	247,834.00		0.00	247,834.00
	<b>Subtotal [5200.10] Payroll Taxes Withheld and Accrued</b>	<b>(474.00)</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
<b>Subgroup : [5200. Accrued Vacation]</b>									
2020.00	2020.00 + Accrued Vacation Payable	(26,196.00)	(31,198.00)		0.00	(31,198.00)		0.00	(31,198.00)
	<b>Subtotal [5200.15] Accrued Vacation</b>	<b>(26,196.00)</b>	<b>(31,198.00)</b>		<b>0.00</b>	<b>(31,198.00)</b>		<b>0.00</b>	<b>(31,198.00)</b>
<b>Subgroup : [5200. Health Premium Contrib Withheld]</b>									
2042.00	2042.00 + Hlth Premium Contrib. Withheld	457.00	546.00		0.00	546.00		0.00	546.00
	<b>Subtotal [5200.45] Health Premium Contrib Withheld</b>	<b>457.00</b>	<b>546.00</b>		<b>0.00</b>	<b>546.00</b>		<b>0.00</b>	<b>546.00</b>
	<b>Total [5200] Accrued Liabilities</b>	<b>(26,213.00)</b>	<b>(30,652.00)</b>		<b>0.00</b>	<b>(30,652.00)</b>		<b>0.00</b>	<b>(30,652.00)</b>
	<b>Current Liabilities</b>	<b>(83,784.00)</b>	<b>(110,757.00)</b>		<b>0.00</b>	<b>(110,757.00)</b>		<b>0.00</b>	<b>(110,757.00)</b>
<b>Group : [5600] Deferred Revenue</b>									
<b>Subgroup : [5600. Deferred Revenue]</b>									
2300.00	2300.00 + Deferred Revenue - KBR Grant	(55,000.00)	(82,563.00)		0.00	(82,563.00)		0.00	(82,563.00)
2310.00	2310.00 + Deferred Revenue - Duke Grant	(244,448.00)	(124,234.00)		(476,940.00)	(601,174.00)		0.00	(601,174.00)
				AJE - 5	(476,940.00)				
2329.00	2390.00 + Deferred Revenue - Other:2329.00 + Deferred Revenue - Members	(4,200.00)	(20,025.00)		0.00	(20,025.00)		0.00	(20,025.00)
2390.00	2390.00 + Deferred Revenue - Other	(500.00)	(500.00)		0.00	(500.00)		0.00	(500.00)
	<b>Subtotal [5600.00] Deferred Revenue</b>	<b>(304,148.00)</b>	<b>(227,322.00)</b>		<b>(476,940.00)</b>	<b>(704,262.00)</b>		<b>0.00</b>	<b>(704,262.00)</b>
	<b>Total [5600] Deferred Revenue</b>	<b>(304,148.00)</b>	<b>(227,322.00)</b>		<b>(476,940.00)</b>	<b>(704,262.00)</b>		<b>0.00</b>	<b>(704,262.00)</b>
	<b>Non-Current Liabilities</b>	<b>(304,148.00)</b>	<b>(227,322.00)</b>		<b>(476,940.00)</b>	<b>(704,262.00)</b>		<b>0.00</b>	<b>(704,262.00)</b>
	<b>TOTAL LIABILITY</b>	<b>(387,932.00)</b>	<b>(338,079.00)</b>		<b>(476,940.00)</b>	<b>(815,019.00)</b>		<b>0.00</b>	<b>(815,019.00)</b>
<b>Group : [6100] Net Assets</b>									

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 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 6/30/2013	UNADJ 6/30/2014	JE Ref #	AJE	ADJ 6/30/2014	JE Ref #	RJE	FINAL 6/30/2014
<b>Subgroup : [6100. Net Assets - Unrestricted</b>									
3020.00	3020.00 + Unrestricted net assets	(1,053,087.00)	(1,053,087.00)		0.00	(1,053,087.00)		0.00	(1,053,087.00)
3900	3900 + Retained Earnings	0.00	580,818.00		115,714.00	696,532.00		0.00	696,532.00
				AJE - 1	34.00				
				AJE - 1	115,680.00				
3900.00	3900 + Retained Earnings	101,678.00	0.00		0.00	0.00		0.00	0.00
<b>Subtotal [6100.00] Net Assets - Unrestricted</b>		<b>(951,409.00)</b>	<b>(472,269.00)</b>		<b>115,714.00</b>	<b>(356,555.00)</b>		<b>0.00</b>	<b>(356,555.00)</b>
<b>Subgroup : [6100. Net Assets - Temporarily Restricted</b>									
3040.00	3040.00 + Temp. Restricted Net Assets	115,680.00	115,680.00		(231,360.00)	(115,680.00)		0.00	(115,680.00)
				AJE - 1	(231,360.00)				
<b>Subtotal [6100.10] Net Assets - Temporarily Restricted</b>		<b>115,680.00</b>	<b>115,680.00</b>		<b>(231,360.00)</b>	<b>(115,680.00)</b>		<b>0.00</b>	<b>(115,680.00)</b>
<b>Total [6100] Net Assets</b>		<b>(835,729.00)</b>	<b>(356,589.00)</b>		<b>(115,646.00)</b>	<b>(472,235.00)</b>		<b>0.00</b>	<b>(472,235.00)</b>
<b>Equity</b>		<b>(835,729.00)</b>	<b>(356,589.00)</b>		<b>(115,646.00)</b>	<b>(472,235.00)</b>		<b>0.00</b>	<b>(472,235.00)</b>
<b>NET (INCOME) LOSS</b>		<b>363,491.00</b>	<b>(562,920.00)</b>		<b>592,586.00</b>	<b>29,666.00</b>		<b>0.00</b>	<b>29,666.00</b>
<b>TOTAL EQUITY</b>		<b>(472,238.00)</b>	<b>(919,509.00)</b>		<b>476,940.00</b>	<b>(442,569.00)</b>		<b>0.00</b>	<b>(442,569.00)</b>
<b>TOTAL LIABILITY AND EQUITY</b>		<b>(860,170.00)</b>	<b>(1,257,588.00)</b>		<b>0.00</b>	<b>(1,257,588.00)</b>		<b>0.00</b>	<b>(1,257,588.00)</b>
<b>Group : [7170] Other Unrestricted Revenue</b>									
<b>Subgroup : [7170. Interest Income</b>									
4450.00	4500.00 + Other Income:4450.00 + Interest Income	(3,438.00)	(3,004.00)		0.00	(3,004.00)		0.00	(3,004.00)
<b>Subtotal [7170.20] Interest Income</b>		<b>(3,438.00)</b>	<b>(3,004.00)</b>		<b>0.00</b>	<b>(3,004.00)</b>		<b>0.00</b>	<b>(3,004.00)</b>
<b>Subgroup : [7170. Grant Revenue</b>									
4331.00	4331.00 + Grant - Duke Endowment	(30,251.00)	(407,921.00)		(299,310.00)	(707,231.00)		0.00	(707,231.00)
				AJE - 5	(299,310.00)				
4332.00	4332.00 + Grant - K.B. Reynolds	(224,682.00)	(88,187.00)		0.00	(88,187.00)		0.00	(88,187.00)
4334.00	4334.00 + Grants - Governor's Crime Comm.	(34,705.00)	0.00		0.00	0.00		0.00	0.00
4341.00	4340.00 + Grants - Other:4341.00 + Grants - Various	(29,220.00)	(47,104.00)		0.00	(47,104.00)		0.00	(47,104.00)
4342.00	4340.00 + Grants - Other:4342.00 + Grants - Various Unrestricted	(104,750.00)	(50,006.00)		0.00	(50,006.00)		0.00	(50,006.00)
<b>Subtotal [7170.30] Grant Revenue</b>		<b>(423,608.00)</b>	<b>(593,218.00)</b>		<b>(299,310.00)</b>	<b>(892,528.00)</b>		<b>0.00</b>	<b>(892,528.00)</b>
<b>Subgroup : [7170. Other Revenue</b>									
4475.00	4500.00 + Other Income:4475.00 + Misc. Income	(48.00)	0.00		0.00	0.00		0.00	0.00
<b>Subtotal [7170.35] Other Revenue</b>		<b>(48.00)</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
<b>Subgroup : [170.5 Temp Restricted - Grant Revenue</b>									
9910.00	9910.00 + Temp Restricted - Grant Various	(82,280.00)	(157,280.00)		82,280.00	(75,000.00)		0.00	(75,000.00)
				AJE - 1	82,280.00				
9915.00	9915.00 + Temp Restricted - Duke Grant	(33,400.00)	(809,650.00)		809,650.00	0.00		0.00	0.00
				AJE - 1	33,400.00				
				AJE - 5	(0.00)				
				AJE - 5	776,250.00				
<b>Subtotal [170.55] Temp Restricted - Grant Revenue</b>		<b>(115,680.00)</b>	<b>(966,930.00)</b>		<b>891,930.00</b>	<b>(75,000.00)</b>		<b>0.00</b>	<b>(75,000.00)</b>
<b>Total [7170] Other Unrestricted Revenue</b>		<b>(542,774.00)</b>	<b>(1,563,152.00)</b>		<b>592,620.00</b>	<b>(970,532.00)</b>		<b>0.00</b>	<b>(970,532.00)</b>
<b>Other Income</b>		<b>(542,774.00)</b>	<b>(1,563,152.00)</b>		<b>592,620.00</b>	<b>(970,532.00)</b>		<b>0.00</b>	<b>(970,532.00)</b>
<b>Group : [7100] Pledges and Contributions</b>									
<b>Subgroup : [7100. Corporate Contributions</b>									
4025.00	4025.00 + Corporate Contributions	(65,735.00)	(53,710.00)		0.00	(53,710.00)		0.00	(53,710.00)
<b>Subtotal [7100.15] Corporate Contributions</b>		<b>(65,735.00)</b>	<b>(53,710.00)</b>		<b>0.00</b>	<b>(53,710.00)</b>		<b>0.00</b>	<b>(53,710.00)</b>
<b>Subgroup : [7100. Individual Contributions</b>									
4035.00	4035.00 + Individual Contributions	(46,855.00)	(34,139.00)		0.00	(34,139.00)		0.00	(34,139.00)
4035.10	4035.00 + Individual Contributions:4035.10 + Board Giving	(8,750.00)	(20,400.00)		0.00	(20,400.00)		0.00	(20,400.00)
4035.20	4035.00 + Individual Contributions:4035.20 + Indirect Contributions	(12,460.00)	(10,398.00)		0.00	(10,398.00)		0.00	(10,398.00)
<b>Subtotal [7100.20] Individual Contributions</b>		<b>(68,065.00)</b>	<b>(64,937.00)</b>		<b>0.00</b>	<b>(64,937.00)</b>		<b>0.00</b>	<b>(64,937.00)</b>

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Account	Description	1st PP-FINAL 6/30/2013	UNADJ 6/30/2014	JE Ref #	AJE	ADJ 6/30/2014	JE Ref #	RJE	FINAL 6/30/2014
<b>Subgroup : [7100. Organization Contributions</b>									
4045.00	4045.00 + Organization Contributions	(37,386.00)	(42,122.00)		0.00	(42,122.00)		0.00	(42,122.00)
<b>Subtotal [7100.25] Organization Contributions</b>		<b>(37,386.00)</b>	<b>(42,122.00)</b>		<b>0.00</b>	<b>(42,122.00)</b>		<b>0.00</b>	<b>(42,122.00)</b>
<b>Total [7100] Pledges and Contributions</b>		<b>(171,186.00)</b>	<b>(160,769.00)</b>		<b>0.00</b>	<b>(160,769.00)</b>		<b>0.00</b>	<b>(160,769.00)</b>
<b>Group : [7170] Other Unrestricted Revenue</b>									
<b>Subgroup : [7170. Special Events</b>									
4120.00	4120.00 + Special Events	(15,237.00)	(17,975.00)		0.00	(17,975.00)		0.00	(17,975.00)
4125.00	4120.00 + Special Events:4125.00 + Individual Events	0.00	(130.00)		0.00	(130.00)		0.00	(130.00)
<b>Subtotal [7170.10] Special Events</b>		<b>(15,237.00)</b>	<b>(18,105.00)</b>		<b>0.00</b>	<b>(18,105.00)</b>		<b>0.00</b>	<b>(18,105.00)</b>
<b>Subgroup : [7170. Membership Dues</b>									
4410.10	4410.00 + Memberships:4410.10 + Circle Parents Memberships	(13,300.00)	(16,800.00)		0.00	(16,800.00)		0.00	(16,800.00)
4410.11	4410.00 + Memberships:4410.11 + Incredible Years Membership	(51,500.00)	(59,250.00)		0.00	(59,250.00)		0.00	(59,250.00)
4410.12	4410.00 + Memberships:4410.12 + Strengthening Membership	(17,500.00)	(17,500.00)		0.00	(17,500.00)		0.00	(17,500.00)
4410.20	4410.00 + Memberships:4410.20 + Individual Memberships	(735.00)	(910.00)		0.00	(910.00)		0.00	(910.00)
4410.30	4410.00 + Memberships:4410.30 + Organization Memberships	(6,825.00)	(6,825.00)		0.00	(6,825.00)		0.00	(6,825.00)
4410.40	4410.00 + Memberships:4410.40 + Bad Debts - Membership	0.00	600.00		0.00	600.00		0.00	600.00
<b>Subtotal [7170.15] Membership Dues</b>		<b>(89,860.00)</b>	<b>(100,685.00)</b>		<b>0.00</b>	<b>(100,685.00)</b>		<b>0.00</b>	<b>(100,685.00)</b>
<b>Subgroup : [7170. Contract Revenue</b>									
4250.00	4250.00 + Contract - State DSS	(611,630.00)	(493,710.00)		0.00	(493,710.00)		0.00	(493,710.00)
4293.00	4290.00 + Contracts - Other:4293.00 + Contract - Public Health	0.00	(36,361.00)		0.00	(36,361.00)		0.00	(36,361.00)
<b>Subtotal [7170.40] Contract Revenue</b>		<b>(611,630.00)</b>	<b>(530,071.00)</b>		<b>0.00</b>	<b>(530,071.00)</b>		<b>0.00</b>	<b>(530,071.00)</b>
<b>Subgroup : [7170. Training &amp; Tech Assistance</b>									
4210.30	4200.00 + Training & Tech Assist Income:4210.00 + Conference:4210.30 + St	(21,784.00)	0.00		0.00	0.00		0.00	0.00
4210.40	4200.00 + Training & Tech Assist Income:4210.00 + Conference:4210.40 + St	(2,288.00)	0.00		0.00	0.00		0.00	0.00
4240.00	4200.00 + Training & Tech Assist Income:4240.00 + Training	(27,570.00)	(23,130.00)		0.00	(23,130.00)		0.00	(23,130.00)
4245.00	4200.00 + Training & Tech Assist Income:4240.00 + Training:4245.00 + 4245.1	(703.00)	(7,500.00)		0.00	(7,500.00)		0.00	(7,500.00)
<b>Subtotal [7170.45] Training &amp; Tech Assistance</b>		<b>(52,345.00)</b>	<b>(30,630.00)</b>		<b>0.00</b>	<b>(30,630.00)</b>		<b>0.00</b>	<b>(30,630.00)</b>
<b>Subgroup : [7170. Sales Revenue</b>									
4130.00	4130.00 + Sales	(33,470.00)	(40,341.00)		0.00	(40,341.00)		0.00	(40,341.00)
4130.20	4130.00 + Sales:4130.20 + Bad Debts - Sales	48.00	0.00		0.00	0.00		0.00	0.00
<b>Subtotal [7170.50] Sales Revenue</b>		<b>(33,422.00)</b>	<b>(40,341.00)</b>		<b>0.00</b>	<b>(40,341.00)</b>		<b>0.00</b>	<b>(40,341.00)</b>
<b>Total [7170] Other Unrestricted Revenue</b>		<b>(802,494.00)</b>	<b>(719,832.00)</b>		<b>0.00</b>	<b>(719,832.00)</b>		<b>0.00</b>	<b>(719,832.00)</b>
<b>Revenues</b>		<b>(973,680.00)</b>	<b>(880,601.00)</b>		<b>0.00</b>	<b>(880,601.00)</b>		<b>0.00</b>	<b>(880,601.00)</b>
<b>TOTAL REVENUE</b>		<b>(1,516,454.00)</b>	<b>(2,443,753.00)</b>		<b>592,620.00</b>	<b>(1,851,133.00)</b>		<b>0.00</b>	<b>(1,851,133.00)</b>
<b>Other Expenses</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
<b>Group : [7200] Expenses</b>									
<b>Subgroup : [7200. Salaries</b>									
5030.00	5030.00 + Salaries & Wages	917,476.00	1,092,509.00		0.00	1,092,509.00		0.00	1,092,509.00
<b>Subtotal [7200.00] Salaries</b>		<b>917,476.00</b>	<b>1,092,509.00</b>		<b>0.00</b>	<b>1,092,509.00</b>		<b>0.00</b>	<b>1,092,509.00</b>
<b>Subgroup : [7200. Payroll Taxes</b>									
5050.10	5050.00 + Benefits:5050.10 + Payroll tax expense	68,407.00	82,236.00		0.00	82,236.00		0.00	82,236.00
5050.12	5050.00 + Benefits:5050.10 + Payroll tax expense:5050.12 + NC Unemployme	10,110.00	19,518.00		0.00	19,518.00		0.00	19,518.00
<b>Subtotal [7200.05] Payroll Taxes</b>		<b>78,517.00</b>	<b>101,754.00</b>		<b>0.00</b>	<b>101,754.00</b>		<b>0.00</b>	<b>101,754.00</b>
<b>Subgroup : [7200. Employee Benefits</b>									
5050.20	5050.00 + Benefits:5050.20 + Health Insurance	111,005.00	110,067.00		0.00	110,067.00		0.00	110,067.00
5050.30	5050.00 + Benefits:5050.30 + Work. Comp. Insurance	3,733.00	4,511.00		0.00	4,511.00		0.00	4,511.00
5050.40	5050.00 + Benefits:5050.40 + Pension Plan Contribution Exp	29,903.00	43,200.00		0.00	43,200.00		0.00	43,200.00
5050.50	5050.00 + Benefits:5050.50 + Staff Recognition	1,273.00	766.00		0.00	766.00		0.00	766.00
5050.60	5050.00 + Benefits:5050.60 + Membership	4,214.00	3,835.00		0.00	3,835.00		0.00	3,835.00
5050.70	5050.00 + Benefits:5050.70 + Professional Development	3,617.00	1,741.00		0.00	1,741.00		0.00	1,741.00
5050.75	5050.00 + Benefits:5050.70 + Professional Development:5050.75 + Outside fe	1,150.00	335.00		0.00	335.00		0.00	335.00
5050.80	5050.00 + Benefits:5050.80 + Accrued Vacation Expense	753.00	5,001.00		0.00	5,001.00		0.00	5,001.00

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 6/30/2013	UNADJ 6/30/2014	JE Ref #	AJE	ADJ 6/30/2014	JE Ref #	RJE	FINAL 6/30/2014
5050.85	5050.00 + Benefits:5050.85 + Relocation Expenses	2,009.00	0.00		0.00	0.00		0.00	0.00
5050.90	5050.00 + Benefits:5050.90 + D&O Insurance	1,345.00	336.00		0.00	336.00		0.00	336.00
<b>Subtotal [7200.10] Employee Benefits</b>		<b>159,002.00</b>	<b>169,792.00</b>		<b>0.00</b>	<b>169,792.00</b>		<b>0.00</b>	<b>169,792.00</b>
<b>Subgroup : [7200.0] Occupancy</b>									
5710.00	5700.00 + Occupancy Expenses:5710.00 + Office Rental	45,385.00	49,357.00		0.00	49,357.00		0.00	49,357.00
5720.00	5700.00 + Occupancy Expenses:5720.00 + Coml. & Prop. Insurance	1,280.00	1,798.00		0.00	1,798.00		0.00	1,798.00
5730.00	5700.00 + Occupancy Expenses:5730.00 + Taxes/Licenses	200.00	232.00		0.00	232.00		0.00	232.00
<b>Subtotal [7200.15] Occupancy</b>		<b>46,865.00</b>	<b>51,387.00</b>		<b>0.00</b>	<b>51,387.00</b>		<b>0.00</b>	<b>51,387.00</b>
<b>Subgroup : [7200.0] Telephone</b>									
5240.00	5240.00 + Telephone/Internet	11,816.00	9,655.00		0.00	9,655.00		0.00	9,655.00
<b>Subtotal [7200.20] Telephone</b>		<b>11,816.00</b>	<b>9,655.00</b>		<b>0.00</b>	<b>9,655.00</b>		<b>0.00</b>	<b>9,655.00</b>
<b>Subgroup : [7200.0] Supplies</b>									
5360.00	5360.00 + Supplies	3,724.00	7,173.00		0.00	7,173.00		0.00	7,173.00
5360.40	5360.00 + Supplies:5360.40 + Supplies Discount	(151.00)	(170.00)	AJE - 1	(0.00)	(170.00)		0.00	(170.00)
<b>Subtotal [7200.25] Supplies</b>		<b>3,573.00</b>	<b>7,003.00</b>		<b>0.00</b>	<b>7,003.00</b>		<b>0.00</b>	<b>7,003.00</b>
<b>Subgroup : [7200.0] Rental and Maintenance of Equipment</b>									
5740.00	5740.00 + Maintenance	1,688.00	986.00		0.00	986.00		0.00	986.00
5740.10	5740.00 + Maintenance:5740.10 + Equipment Maintenance	12,501.00	12,605.00		0.00	12,605.00		0.00	12,605.00
5740.20	5740.00 + Maintenance:5740.20 + Other Maintenance	11.00	(11.00)		0.00	(11.00)		0.00	(11.00)
<b>Subtotal [7200.30] Rental and Maintenance of Equipment</b>		<b>14,200.00</b>	<b>13,580.00</b>		<b>0.00</b>	<b>13,580.00</b>		<b>0.00</b>	<b>13,580.00</b>
<b>Subgroup : [7200.0] Printing and Publication</b>									
5270.00	5270.00 + Copier	6,493.00	7,748.00		0.00	7,748.00		0.00	7,748.00
5390.00	5390.00 + Printing	4,051.00	2,646.00		0.00	2,646.00		0.00	2,646.00
5390.50	5390.00 + Printing:5390.50 + Outside Fees - Printing	26.00	0.00		0.00	0.00		0.00	0.00
<b>Subtotal [7200.35] Printing and Publication</b>		<b>10,570.00</b>	<b>10,394.00</b>		<b>0.00</b>	<b>10,394.00</b>		<b>0.00</b>	<b>10,394.00</b>
<b>Subgroup : [7200.0] Postage and Shipping</b>									
5330.00	5330.00 + Postage	12,731.00	11,740.00		0.00	11,740.00		0.00	11,740.00
<b>Subtotal [7200.40] Postage and Shipping</b>		<b>12,731.00</b>	<b>11,740.00</b>		<b>0.00</b>	<b>11,740.00</b>		<b>0.00</b>	<b>11,740.00</b>
<b>Subgroup : [7200.0] Conferences and Meetings</b>									
5450.10	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.10 + S	15,400.00	0.00		0.00	0.00		0.00	0.00
5450.20	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.20 + S	4,347.00	0.00		0.00	0.00		0.00	0.00
5450.40	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.40 + C	33.00	0.00		0.00	0.00		0.00	0.00
5450.50	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.50 + C	2,945.00	0.00		0.00	0.00		0.00	0.00
5450.60	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.60 + C	57,229.00	0.00		0.00	0.00		0.00	0.00
5450.70	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.70 + C	1,530.00	19.00		0.00	19.00		0.00	19.00
5450.90	5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.90 + O	18,983.00	0.00		0.00	0.00		0.00	0.00
5600.00	5400.00 + Conference & Training:5640.00 + Training Expense:5600.00 + Prev	0.00	50.00		0.00	50.00		0.00	50.00
5640.10	5400.00 + Conference & Training:5640.00 + Training Expense:5640.10 + Staff	262.00	45.00		0.00	45.00		0.00	45.00
5641.00	5400.00 + Conference & Training:5640.00 + Training Expense:5641.00 + Spei	14,150.00	8,827.00		0.00	8,827.00		0.00	8,827.00
5642.00	5400.00 + Conference & Training:5640.00 + Training Expense:5642.00 + Spei	9,584.00	5,392.00		0.00	5,392.00		0.00	5,392.00
5643.00	5400.00 + Conference & Training:5640.00 + Training Expense:5643.00 + Trair	6,870.00	6,300.00		0.00	6,300.00		0.00	6,300.00
5644.00	5400.00 + Conference & Training:5640.00 + Training Expense:5644.00 + Trair	5,725.00	7,791.00		0.00	7,791.00		0.00	7,791.00
5645.00	5400.00 + Conference & Training:5640.00 + Training Expense:5645.00 + Trair	8,715.00	12,673.00		0.00	12,673.00		0.00	12,673.00
5646.00	5400.00 + Conference & Training:5640.00 + Training Expense:5646.00 + Othe	21,021.00	24,944.00		0.00	24,944.00		0.00	24,944.00
<b>Subtotal [7200.45] Conferences and Meetings</b>		<b>166,794.00</b>	<b>66,041.00</b>		<b>0.00</b>	<b>66,041.00</b>		<b>0.00</b>	<b>66,041.00</b>
<b>Subgroup : [7200.0] Travel</b>									
5150.00	5150.00 + Travel	25,881.00	31,985.00		0.00	31,985.00		0.00	31,985.00
<b>Subtotal [7200.50] Travel</b>		<b>25,881.00</b>	<b>31,985.00</b>		<b>0.00</b>	<b>31,985.00</b>		<b>0.00</b>	<b>31,985.00</b>
<b>Subgroup : [7200.0] Professional Fees</b>									
5810.00	5810.00 + Accounting & Audit	4,500.00	0.00		0.00	0.00		0.00	0.00
5810.20	5810.00 + Accounting & Audit:5810.20 + Accounting Services	2,112.00	13,525.00		0.00	13,525.00		0.00	13,525.00
5830.00	5830.00 + Consultants	148,123.00	136,969.00		0.00	136,969.00		0.00	136,969.00
5850.00	5850.00 + Outside Services	165,482.00	57,799.00		0.00	57,799.00		0.00	57,799.00

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**  
 Engagement: **AUD 2014 - Prevent Child Abuse, North Carolina Inc.**  
 Period Ending: **6/30/2014**  
 Trial Balance: **TB**  
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	ADJ	JE Ref #	RJE	FINAL
		6/30/2013	6/30/2014			6/30/2014			6/30/2014
5850.20	5850.00 + Outside Services:5850.20 + Capstrat-NFP	50,000.00	50,000.00		0.00	50,000.00		0.00	50,000.00
<b>Subtotal [7200.55] Professional Fees</b>		<b>370,217.00</b>	<b>258,293.00</b>		<b>0.00</b>	<b>258,293.00</b>		<b>0.00</b>	<b>258,293.00</b>
<b>Subgroup : [7200. Depreciation</b>									
6300.00	6300.00 + Depreciation	(650.00)	0.00		0.00	0.00		0.00	0.00
6310.01	6300.00 + Depreciation:6310.01 + Depreciation office furniture	1,139.00	1,767.00		(34.00)	1,733.00		0.00	1,733.00
6320.01	6300.00 + Depreciation:6320.01 + Depreciation office equipment	5,350.00	8,035.00	AJE - 1	(34.00)	8,035.00		0.00	8,035.00
<b>Subtotal [7200.70] Depreciation</b>		<b>5,839.00</b>	<b>9,802.00</b>		<b>(34.00)</b>	<b>9,768.00</b>		<b>0.00</b>	<b>9,768.00</b>
<b>Subgroup : [7200. Equipment</b>									
5780.00	5780.00 + Equipment	60.00	754.00		0.00	754.00		0.00	754.00
5780.50	5780.00 + Equipment:5780.50 + Software	351.00	260.00		0.00	260.00		0.00	260.00
5790.00	5790.00 + Furniture & Fixtures	643.00	450.00		0.00	450.00		0.00	450.00
<b>Subtotal [7200.95] Equipment</b>		<b>1,054.00</b>	<b>1,464.00</b>		<b>0.00</b>	<b>1,464.00</b>		<b>0.00</b>	<b>1,464.00</b>
<b>Subgroup : [7200. Fees</b>									
5820.00	5820.00 + Fees & Service Charges	1,061.00	803.00		0.00	803.00		0.00	803.00
5820.05	5820.00 + Fees & Service Charges:5820.05 + Bank Charges	30.00	217.00		0.00	217.00		0.00	217.00
5820.15	5820.00 + Fees & Service Charges:5820.15 + Credit Card Fees	3,574.00	4,284.00		0.00	4,284.00		0.00	4,284.00
5820.25	5820.00 + Fees & Service Charges:5820.25 + Other Fees & Charges	422.00	1,248.00		0.00	1,248.00		0.00	1,248.00
5820.35	5820.00 + Fees & Service Charges:5820.35 + PayPal Fees	599.00	834.00		0.00	834.00		0.00	834.00
<b>Subtotal [7200.100] Fees</b>		<b>5,686.00</b>	<b>7,386.00</b>		<b>0.00</b>	<b>7,386.00</b>		<b>0.00</b>	<b>7,386.00</b>
<b>Subgroup : [7210 Program</b>									
5530.00	5530.00 + Education/Public Awareness	4,771.00	4,096.00		0.00	4,096.00		0.00	4,096.00
5530.05	5530.00 + Education/Public Awareness:5530.05 + April	25,849.00	26,065.00		0.00	26,065.00		0.00	26,065.00
5530.40	5530.00 + Education/Public Awareness:5530.40 + Prev. Network Membership	0.00	900.00		0.00	900.00		0.00	900.00
5530.45	5530.00 + Education/Public Awareness:5530.45 + Educational Materials	14,210.00	2,643.00		0.00	2,643.00		0.00	2,643.00
5690.00	5530.00 + Education/Public Awareness:5690.00 + Volunteer Maintenance	2,218.00	603.00		0.00	603.00		0.00	603.00
<b>Subtotal [72100.105] Program</b>		<b>47,048.00</b>	<b>34,307.00</b>		<b>0.00</b>	<b>34,307.00</b>		<b>0.00</b>	<b>34,307.00</b>
<b>Subgroup : [7100. Special Events</b>									
5615.00	5615.00 + Special Events Expenses	2,676.00	3,741.00		0.00	3,741.00		0.00	3,741.00
<b>Subtotal [7100.110] Special Events</b>		<b>2,676.00</b>	<b>3,741.00</b>		<b>0.00</b>	<b>3,741.00</b>		<b>0.00</b>	<b>3,741.00</b>
<b>Total [7200] Expenses</b>		<b>1,879,945.00</b>	<b>1,880,833.00</b>		<b>(34.00)</b>	<b>1,880,799.00</b>		<b>0.00</b>	<b>1,880,799.00</b>
<b>Operating Expenses</b>		<b>1,879,945.00</b>	<b>1,880,833.00</b>		<b>(34.00)</b>	<b>1,880,799.00</b>		<b>0.00</b>	<b>1,880,799.00</b>
<b>TOTAL EXPENSE</b>		<b>1,879,945.00</b>	<b>1,880,833.00</b>		<b>(34.00)</b>	<b>1,880,799.00</b>		<b>0.00</b>	<b>1,880,799.00</b>
<b>NET (INCOME) LOSS</b>		<b>363,491.00</b>	<b>(562,920.00)</b>		<b>592,586.00</b>	<b>29,666.00</b>		<b>0.00</b>	<b>29,666.00</b> <sup>6100.20</sup>
<b>Sum of Account Groups</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>