

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

**Audited Financial Statements
&
Compliance Section**

Years Ended June 30, 2018 and 2017



PREVENT CHILD ABUSE, NORTH CAROLINA INC.
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Years Ended June 30, 2018 and 2017

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and Consultants

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, 2018 and 2017, 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 opinions.

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, 2018 and 2017, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018, 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.

Hans & Gillette CA, PLLC

Durham, North Carolina
December 14, 2018

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	2018	2017
Assets		
Current assets		
Cash and cash equivalents (note 2)	\$ 711,677	\$ 1,360,306
Grants and contracts receivable (note 3)	1,149,423	60,662
Accounts receivable	6,450	5,762
Prepaid expenses	16,844	14,252
Beneficial interest in assets held by others (Note 4)	25,254	-
Total current assets	1,909,648	1,440,982
Property and equipment, net (note 5)	12,253	8,377
Total non current assets	12,253	8,377
Total assets	\$ 1,921,901	\$ 1,449,359
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 121,646	\$ 14,302
Credit cards payable	16,004	6,760
Accrued paid time off (note 15)	44,815	34,839
Deferred revenue (note 8)	63,795	840,319
Lease payable	4,661	-
Total liabilities	250,921	896,220
Net assets		
Unrestricted	603,505	548,139
Temporarily restricted (note 6)	1,067,475	5,000
Total net assets	1,670,980	553,139
Total liabilities and net assets	\$ 1,921,901	\$ 1,449,359

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions	\$ 162,894	\$ -	\$ 162,894
Conference and training	26,950	-	26,950
Special events	24,117	-	24,117
Contracts	611,838	-	611,838
Grants	928,914	1,067,475	1,996,389
Membership dues	106,195	-	106,195
Interest income	4,106	-	4,106
Other income	52,621	-	52,621
Total revenue	<u>1,917,635</u>	<u>1,067,475</u>	<u>2,985,110</u>
Net assets released from restrictions (note 7)	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total support and revenues	<u>1,922,635</u>	<u>1,062,475</u>	<u>2,985,110</u>
Expenses			
Program services	1,626,328	-	1,626,328
Management and general	143,400	-	143,400
Fundraising	97,541	-	97,541
Total expenses	<u>1,867,269</u>	<u>-</u>	<u>1,867,269</u>
Change in net assets	55,366	1,062,475	1,117,841
Net assets, beginning of year	<u>548,139</u>	<u>5,000</u>	<u>553,139</u>
Net assets, end of year	<u>\$ 603,505</u>	<u>\$ 1,067,475</u>	<u>\$ 1,670,980</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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 173,203	\$ -	\$ 173,203
Grants	589,049	5,000	594,049
Membership dues	102,065	-	102,065
Interest income	2,636	-	2,636
Other income	41,038	-	41,038
Total revenue	<u>1,611,842</u>	<u>5,000</u>	<u>1,616,842</u>
Net assets released from restrictions (note 7)	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>1,611,842</u>	<u>5,000</u>	<u>1,616,842</u>
Expenses			
Program services	1,368,224	-	1,368,224
Management and general	136,652	-	136,652
Fundraising	<u>77,685</u>	<u>-</u>	<u>77,685</u>
Total expenses	<u>1,582,560</u>	<u>-</u>	<u>1,582,560</u>
Change in net assets	29,282	5,000	34,282
Net assets, beginning of year	<u>518,857</u>	<u>-</u>	<u>518,857</u>
Net assets, end of year	<u>\$ 548,139</u>	<u>\$ 5,000</u>	<u>\$ 553,139</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating activities		
Change in net assets	\$ 1,117,841	\$ 34,282
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	5,161	8,314
(Gains) losses on beneficial interest in assets held by other	-	-
Changes in operating assets and liabilities:		
Grants and contracts receivable, net	(1,088,761)	54,334
Accounts receivable	(688)	736
Prepaid expenses	(2,592)	11,183
Beneficial interest in assets held by others	(25,254)	-
Accounts payable	107,344	4,059
Credit cards payable	9,244	-
Accrued paid time off	9,976	12,098
Deferred revenue	<u>(776,524)</u>	<u>309,313</u>
Net cash provided (used) by operating activities	(644,253)	434,319
Cash flows from investing activities		
Cash paid for purchases of fixed assets	<u>(3,744)</u>	<u>(1,644)</u>
Net cash used by investing activities	(3,744)	(1,644)
Cash flows from financing activities		
Principal payments on capital leases	<u>(632)</u>	<u>-</u>
Net cash used by financing activities	<u>(632)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(648,629)	432,675
Cash and cash equivalents, beginning of year	<u>1,360,306</u>	<u>927,631</u>
Cash and cash equivalents, end of year	<u>\$ 711,677</u>	<u>\$ 1,360,306</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 167</u>	<u>\$ -</u>
Non-cash financing activities	<u>\$ 5,293</u>	<u>\$ -</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, 2018

	Program Services				Total Program Services	Support Services			Total Expenses
	Public Education	Prevention Programs	Training	Other Programs		Management and General	Fundraising	Total Support Services	
Salaries	\$ 204,136	\$ 620,513	\$ 56,528	\$ 97,057	\$ 978,234	\$ 90,477	\$ 61,849	\$ 152,326	\$ 1,130,560
Fringe benefits and payroll taxes	46,877	121,163	13,471	25,975	207,486	21,833	8,351	30,184	237,670
Professional development	-	25,249	-	492	25,741	3,492	79	3,571	29,312
Travel	6,389	16,719	5,309	10,521	38,939	1,604	457	2,061	41,000
Telephone/internet	1,044	2,824	275	581	4,725	852	307	1,159	5,884
Copier	192	692	25	72	981	99	67	167	1,148
Postage	2,496	2,264	202	6,908	11,870	638	1,374	2,012	13,882
Supplies	853	3,630	443	1,373	6,298	1,338	554	1,892	8,190
Printing and reproduction costs	-	-	-	1,287	1,287	390	9,213	9,603	10,889
Advertising	-	-	-	-	-	-	6,000	6,000	6,000
Conference and training expenses	95,387	46,010	17,026	1,217	159,640	-	-	-	159,640
Education/Public awareness	19,389	242	5	35,428	55,064	1,299	642	1,941	57,005
Special events expenses	-	-	-	-	-	-	1,300	1,300	1,300
Occupancy expense	6,954	20,161	1,959	3,666	32,740	3,147	2,389	5,537	38,277
Maintenance	1,927	9,390	703	1,256	13,277	1,510	877	2,387	15,664
Equipment	-	1,510	200	919	2,629	247	-	247	2,876
Accounting and audit	-	-	-	3,674	3,674	9,938	-	9,938	13,612
Fees and service charges	40	89	44	117	290	5,028	1,032	6,060	6,350
Consultants	1,369	25,989	48,353	2,045	77,756	-	561	561	78,317
Outside services	-	-	-	785	785	1,170	2,401	3,571	4,355
Depreciation	148	1,007	56	3,553	4,765	324	80	404	5,168
Interest	35	80	13	19	148	13	8	22	169
Totals	\$ 387,236	\$ 897,533	\$ 144,614	\$ 196,945	\$1,626,328	\$ 143,400	\$ 97,541	\$ 240,941	\$ 1,867,269

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, 2017

	Program Services				Support Services				
	Public Education	Prevention Programs	Training	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 66,552	\$ 617,941	\$ 52,727	\$ 75,001	\$ 812,222	\$ 84,607	\$ 47,122	\$ 131,729	\$ 943,951
Fringe benefits and payroll taxes	6,896	148,213	13,393	29,024	197,525	25,756	7,042	32,798	230,323
Travel	1,669	26,786	956	2,349	31,760	2,486	201	2,687	34,447
Telephone/internet	-	5,296	310	458	6,065	945	295	1,240	7,305
Postage	-	7,892	212	3,468	11,572	705	302	1,007	12,579
Supplies	-	4,637	1,080	1,067	6,785	807	321	1,128	7,912
Printing and reproduction costs	-	126	10	78	213	141	1,282	1,423	1,637
Public awarneses	18,039	419	-	13,138	31,596	1,303	659	1,962	33,558
Training expenses	-	56,295	74,165	475	130,935	-	-	-	130,935
Office and equipment expenses	-	34,843	2,441	4,103	41,387	3,464	2,397	5,861	47,248
Outside consultants and services	-	82,672	448	4,387	87,506	4,382	16,416	20,797	108,304
Fees and service charges	-	100	-	1,072	1,172	1,843	1,561	3,404	4,575
Audit	-	-	-	1,788	1,788	9,684	-	9,684	11,472
Depreciation	-	1,196	-	6,500	7,696	530	87	617	8,314
Totals	\$ 93,156	\$ 986,416	\$ 145,742	\$ 142,910	\$ 1,368,224	\$ 136,652	\$ 77,685	\$ 214,337	\$ 1,582,560

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

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

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, 2018 or 2017.

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, 2018 and 2017

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, 2018 and 2017 is \$6,000 and \$0, respectively.

Property and equipment – Purchases of furniture and equipment are recorded at cost. It is the Organization’s policy that equipment expenditures less than \$500 are expensed. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

Beneficial interest in assets held by others – The Organization’s beneficial interest in an agency endowment fund with the North Carolina Community Foundation is recognized as an asset. The endowment, including all investment income, capital gains and subsequent contributions are the Foundation’s property. As provided by the Foundation’s current policies and procedures, an annual distribution is available to the Organization. The amount available for distribution at June 30, 2018 is \$630. While the stated intention of the agreement is for the principal to remain undistributed, the principal may be distributed at the Foundation’s discretion.

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 – Income from certain activities not directly related to the Organization’s tax-exempt purposes may be subject to taxation as unrelated business income. The Organization currently has no obligation for unrelated business income tax.

Fair value measurement – FASB ASC 820-10, *Fair Value Measurements and Disclosures*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date;

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

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

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, or

Level 3: Unobservable inputs that are supported by little or no market activity and that reflect the Organization's own assumptions about market prices.

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.

Accounting pronouncements not yet effective - The Organization is currently evaluating the impact of the adoption of the following standards on the financial statements.

Accounting Standards Update (ASU) 2014-09 (Topic 606), Revenue from Contracts with Customers, is effective for fiscal years beginning after December 15, 2018. The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The ASU requires (1) identification of contracts with customers, (2) identification of performance obligations, (3) determination of transaction price, (4) allocation of transaction price to performance obligations, and (5) recognition of revenue when/as performance obligations are satisfied.

ASU 2016-02, Leases (Topic 842) is effective for periods beginning after December 15, 2019. This ASU requires lessees to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statements. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, is effective for fiscal years beginning after December 15, 2017. This ASU improves the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, is effective for fiscal years beginning after December 15, 2018. This ASU is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement. The statement requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018 and 2017

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

ASU 2018-08 (Topic 958): Clarifying the Scope & Accounting Guidance for Contributions Received and Contributions made is effective for years beginning after December 15, 2019. This standard provides a more robust framework for determining whether a transactions should be accounted for as a contribution or as an exchange transaction and clarifies how a not-for-profit determines whether a resource provider is participating in an exchange transaction.

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.

The Organization had the following cash and cash equivalents balances available for operations as of June 30, 2018 and 2017:

	2018	2017
Checking	\$ 559,679	\$ 1,208,257
Money market	149,564	151,191
Savings	13	-
Undeposited funds	-	858
Total	\$ 711,677	\$ 1,360,306

Note 3 – Grants and contracts receivable

At June 30, 2018 and 2017, the Organization is due the following amounts:

	2018	2017
Contracts receivable	\$ 149,420	\$ 60,662
Grants receivable	1,000,000	-
	\$ 1,149,420	\$ 60,662

All amounts are due in less than one year.

Note 4 - Investments

The Organization's investments consist of a beneficial interest in assets held by others valued at \$25,254 and classified in Level 3 of the fair value hierarchy based on the value reported by the North Carolina Community Foundation as of June 30, 2018.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 4 - Investments (continued)

The following table provides a summary of changes in the fair value of the Organization's Level 3 financial assets for the year ended June 30, 2018:

	2018
	<u>Beneficial Interest</u>
Balance as of July 1, 2017	\$ -
Contribution	25,000
Interest	623
Net realized/unrealized loss	(179)
Fees	(190)
Balance as of June 30, 2018	<u>\$ 25,254</u>

Note 5 – Property and equipment, net

Property and equipment consist of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Furniture	\$ 11,613	\$ 11,613
Equipment	58,897	49,860
Total property and equipment	70,510	61,473
Less accumulated depreciation	(58,257)	(53,096)
Property and equipment, net	<u>\$ 12,253</u>	<u>\$ 8,377</u>

The Organization recognized depreciation expense of \$5,161 and \$8,314 for the years ended June 30, 2018 and 2017, respectively.

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>2018</u>
Community Engagement	\$ -
Strengthening Families Protective Factors Framework	225,000
Caring Connections Campaign	775,000
Community Child Abuse Prevention Program	67,475
	<u>\$ 1,067,475</u>

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 7 – Net assets released from restrictions

During the years ended June 30, 2018 and 2017, temporarily restricted net assets totaling \$5,000 and \$0 were released due to satisfaction of purpose restrictions.

	<u>2018</u>	<u>2017</u>
Community Engagement	\$ 5,000	\$ -
	<u>\$ 5,000</u>	<u>\$ -</u>

Note 8 – 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, 2018 and 2017, deferred revenue consists of:

	<u>2018</u>	<u>2017</u>
The Duke Endowment	\$ 63,445	\$ 537,306
Membership dues	-	2,210
Other	350	800
	<u>\$ 63,795</u>	<u>\$ 540,316</u>

Note 9 – 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 \$451,369 and \$5,188 at June 30, 2018 and 2017, respectively.

During the year ended June 30, 2018, 94% of grant and contract revenue was received from 3 funders and 87% of grant and contract receivables are from one funder. During the year ended June 30, 2017, 87% of grant and contract revenue was received from two funders and 100% of grant and contract receivables were from two funders.

Note 10 – Operating leases

The Organization leases its office space under a one year operating lease agreement ending August 31, 2018. Subsequent to year end, as disclosed in Note 17, the organization entered into a lease for new office space. In addition, the Organization leases certain equipment under leases which expire at various times through 2022. Rent expense under the office and equipment leases was approximately \$36,000 and \$33,000 for the years ended June 30, 2018 and 2017, respectively.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018 and 2017

Note 10 – Operating leases (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, 2018:

Year Ending June 30	Amount
2019	\$ 7,331
2020	1,331
2021	1,331
2022	777
2023	-
	<u>\$ 10,770</u>

Note 11 – Capital lease

The Organization is the lessee of office equipment under a capital lease expiring in 2022. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is amortized over its estimated useful life. Amortization of assets under capital leases is included in depreciation expense for fiscal year 2018.

Property held under capital leases is as follows:

Equipment	\$ 5,293
Accumulated amortization	(709)
	\$ 4,584

Minimum future lease payments under capital leases as of June 30, 2018 were as follows:

<u>Year ended June 30</u>	
2019	\$ 1,199
2020	1,199
2021	1,199
2022	1,199
2023	300
Total	\$ 5,096
Amounts representing interest	(700)
Present value of net minimum lease payments	\$ 4,396

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 12 – Description of program services

Prevention Programs – Administer the Incredible Years, Strengthening Families Program 6-11, Circle of Parents and 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 13 – 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.

Note 14 – 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, 2018 and 2017 were \$43,963 and \$30,515, respectively.

Note 15 – 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 \$44,815 and \$34,839 as of June 30, 2018 and 2017, respectively.

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 16 - 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 the one month London Interbank Offered Rate (LIBOR) plus 2% with a floor of 5.5%. At June 30, 2018 and 2017, there was no outstanding balance on the line of credit.

Note 17 – Subsequent events

The Organization has evaluated subsequent events occurring after June 30, 2018 through December 14, 2018, which is the date the financial statements were available to be issued.

On October 29, 2018, the Organization entered into a lease for office space that provides for escalating rent payments over the term of the lease which expires in 2024. Future minimum required payments under this lease are as follows:

Year Ending June 30	
2019	\$ 9,750
2020	59,045
2021	61,086
2022	62,749
2023	64,480
Thereafter	<u>55,088</u>
	<u>\$ 312,198</u>

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

Compliance Section

Year Ended June 30, 2018



Fayetteville Road Office Park
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and Consultants

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 accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Prevent Child Abuse, North Carolina Inc. (the "Organization"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated December 14, 2018.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 the internal control 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. We did identify a deficiency in internal control described in the accompanying schedule of audit findings that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Thomas S. Gibbs CMA, PLLC

Durham, North Carolina
December 14, 2018

PREVENT CHILD ABUSE, NORTH CAROLINA INC.
SCHEDULE OF AUDIT FINDINGS
June 30, 2018

Finding 2018-01: Financial Reporting

The financial statements presented to us contained material misstatements that were corrected with three (3) audit adjustments. Without these adjustments, the financial statements could have been misleading to the reader, understating revenue by \$1,067,475.

- During our audit procedures over revenue we noted that temporarily restricted support was recorded directly to temporarily restricted net assets (\$500,000), understating revenue in the accounting records. In addition, an unconditional promise to give (\$500,000) was not recognized in the accounting records because payment was due in a future period, understating both revenue and receivables.

Generally accepted accounting principles (“GAAP”) require the recognition of unconditional promises to give at the time the promise is made as described in Accounting Standards Codification (“ASC”) Topic 958-650 - *Not for Profit Entities: Revenue Recognition*. We recommend management carefully evaluate all contributions and promises to give which are payable in a future period in accordance with this standard to ensure that they are being appropriately recognized in the accounting records.

- We also noted that another grant was recorded as deferred revenue, implying a reciprocal transfer in which each party receives and sacrifices approximately equal value. The transaction is more appropriately recorded as a contribution in which the value, if any, returned to the resource provider is incidental to the potential public benefits to be realized.

ASC Topic 958-650 - *Not for Profit Entities: Revenue Recognition* also specifies that deferred revenue be recognized only for exchange transactions that represent a reciprocal transfer of resources between the provider and the recipient such that the benefits received by the provider are equivalent to the resources being given up. A grant from a Foundation typically does not return benefits equal to the resources being given up to the resource provider. The benefits received by the resource provider are generally considered incidental to the benefits provided to the public. We recommend management carefully evaluate all agreements with resource providers according to this guidance to ensure they are appropriately recognized in the accounting records.

Management’s Response:

PCANC has carefully reviewed the recommendations of the auditor as well as the accounting standards noted and is in agreement with the auditor. As a note, PCANC has historically received funding from certain grants prior to services being carried out, with receipt of that funding being recognized as deferred revenue. New guidance issued by the Financial Accounting Standards Board (FASB) in 2018 provides clarity in applying the cited standard and will be used to assist us in classifying revenue going forward.



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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, 2018, and have issued our report thereon dated December 14, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards 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 June 22, 2018. 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 the year ended June 30, 2018. 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 four (4) audit adjustments, one of which was requested by you, made to the original trial balance presented to us to begin our audit. The audit adjustments for the year ended June 30, 2018 is enclosed with this letter.

There was one (1) reclassifying entry made for financial statement presentation purposes. The reclassifying entry for the year ended June 30, 2018 is also enclosed.

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 were no uncorrected misstatements (passed adjustments) for the year ended June 30, 2018.

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 December 14, 2018.

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.

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 others within management and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas S. Gilbo CAI, PLLC

Durham, North Carolina
December 14, 2018

Enclosure: Four (4) audit adjustments, June 30, 2018
One (1) reclassification audit adjustment, June 30, 2018

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit	Impact on Change in Net Assets
Adjusting Journal Entries JE # 1		6100.01			
To adjust the opening balance of Net Assets to PY audited balance, properly recognize the endowment activity in the statement of activities, and correct the					
3020.00	Unrestricted net assets		5,255.00		
3040.00	Temp. Restricted Net Assets		495,000.00		
4700.00	4700.00 Unrealized Gain/Loss Investment		179.00		
5820.25	Fees & Service Charges:5820.25 + Other Fees &		189.00		
4450.00	Other Income:4450.00 + Interest Income			623.00	
9910.00	Temp Restricted - Grant Various			500,000.00	
Total			500,623.00	500,623.00	(500,255)
Adjusting Journal Entries JE # 104		7200.01			
To reclassify John Rex Endowment grant to grant revenue due to non-exchange nature of transaction.					
2301.00	Deferred Revenue JRE Grant		67,475.00		
9910.00	Temp Restricted - Grant Various			67,475.00	
Total			67,475.00	67,475.00	(67,475)
Adjusting Journal Entries JE # 105		5400.02			
To record capital lease and related liability and reclassify expense.					
1300.00	Office Equipment		5,293.00		
6320.01	Depreciation:6320.01 + Depreciation office equipment		706.00		
TG-3	Lease liability		632.00		
TG-4	Interest expense		167.00		
1700.00	Accumulated depreciation			706.00	
5270.00	Copier			799.00	
TG-3	Lease liability			5,293.00	
Total			6,798.00	6,798.00	74
Adjusting Journal Entries JE # 106		7201.15			
To accrue the 2nd half of the BCBSNC sponsorship payment due in September 2018.					
TG-1	Grants and contracts receivable		500,000.00		
9910.00	Temp Restricted - Grant Various			500,000.00	(500,000)
Total			500,000.00	500,000.00	
	Unadjusted Net (Income) Loss				(50,185)
	Adjusted Net (Income) Loss				<u>(1,117,841)</u>

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3700.05 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		4200.05		
To reclassify the Social Services balances and grants to Grants and Contracts receivable for presentation purposes				
TG-1	Grants and contracts receivable		649,423.00	
1060.00	Accounts Receivable			649,423.00
Total			<u>649,423.00</u>	<u>649,423.00</u>

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 6/30/2017	UNADJ 6/30/2018	JE Ref #	AJE	ADJ 6/30/2018	JE Ref #	RJE	FINAL 6/30/2018	\$ VAR	% VAR
Group : [4100] Cash and Cash Equivalents											
Subgroup : [4100. Cash and Cash Equivalents-Unrestricted]											
1015.00	Paragon Checking	1,004,499.00	264,927.00		0.00	264,927.00		0.00	264,927.00	739,572.00	(73.63%)
1016.00	Latino Credit Union-Checking	0.00	1,000.00		0.00	1,000.00		0.00	1,000.00	1,000.00	0.00%
1017.00	Latino Credit Union-Money Market	0.00	149,564.00		0.00	149,564.00		0.00	149,564.00	149,564.00	0.00%
1018.00	Latino Credit Union-Savings	0.00	13.00		0.00	13.00		0.00	13.00	13.00	0.00%
1025.00	PayPal Business	0.00	1,412.00		0.00	1,412.00		0.00	1,412.00	1,412.00	0.00%
1034.00	PNC Interest Checking	203,758.00	293,752.00		0.00	293,752.00		0.00	293,752.00	89,994.00	44.17%
1035.00	PNC Money Market	151,191.00	900.00		0.00	900.00		0.00	900.00	150,291.00	(99.40%)
1499.00	Undeposited Funds	858.00	109.00		0.00	109.00		0.00	109.00	749.00	(87.30%)
Subtotal [4100.00] Cash and Cash Equivalents-Unrestricted		1,360,306.00	711,677.00		0.00	711,677.00		0.00	711,677.00	648,629.00	(47.68%)
Total [4100] Cash and Cash Equivalents		1,360,306.00	711,677.00		0.00	711,677.00		0.00	711,677.00	648,629.00	(47.68%)
Group : [4150] Investments											
Subgroup : [4150. Investments]											
1046.00	Endowment-NCCF	0.00	25,254.00		0.00	25,254.00		0.00	25,254.00	25,254.00	0.00%
Subtotal [4150.00] Investments		0.00	25,254.00		0.00	25,254.00		0.00	25,254.00	25,254.00	0.00%
Total [4150] Investments		0.00	25,254.00		0.00	25,254.00		0.00	25,254.00	25,254.00	0.00%
Group : [4200] Receivables											
Subgroup : [4200. Accounts Receivable]											
1060.00	Accounts Receivable	592.00	651,751.00		0.00	651,751.00	RJE - 101	(649,423.00)	2,328.00	651,159.00	109,993.07%
Subtotal [4200.00] Accounts Receivable		592.00	651,751.00		0.00	651,751.00		(649,423.00)	2,328.00	651,159.00	109,993.07%
Subgroup : [4200. Sales Tax Receivable]											
1100.00	Refundable Sales Tax Paid	5,169.00	4,121.00		0.00	4,121.00		0.00	4,121.00	1,048.00	(20.27%)
1110.00	Refundable Sales Tax Paid:1110.00 + Refundable Food Tax Paid	1.00	1.00		0.00	1.00		0.00	1.00	0.00	0.00%
Subtotal [4200.35] Sales Tax Receivable		5,170.00	4,122.00		0.00	4,122.00		0.00	4,122.00	1,048.00	(20.27%)
Total [4200] Receivables		5,762.00	655,873.00		0.00	655,873.00		(649,423.00)	6,450.00	650,111.00	11,282.73%
Group : [4260] Grants and Contracts											
Subgroup : [4260. Grants and Contracts - Unrestricted]											
TG-1	Grants and contracts receivable	60,662.00	0.00		500,000.00	500,000.00	RJE - 101	649,423.00	1,149,423.00	60,662.00	(100.00%)
Subtotal [4260.00] Grants and Contracts - Unrestricted		60,662.00	0.00	AJE - 106	500,000.00	500,000.00		649,423.00	1,149,423.00	60,662.00	(100.00%)
Total [4260] Grants and Contracts		60,662.00	0.00		500,000.00	500,000.00		649,423.00	1,149,423.00	60,662.00	(100.00%)
Group : [4400] Prepaid Expenses											
Subgroup : [4400. Prepaid Expenses]											
1290.20	Prepaid Expenses:1290.20 + Health Insurance	2,757.00	4,968.00		0.00	4,968.00		0.00	4,968.00	2,211.00	80.20%
1290.40	Prepaid Expenses:1290.40 + Postage	552.00	0.00		0.00	0.00		0.00	0.00	552.00	(100.00%)
1290.50	Prepaid Expenses:1290.50 + Deposits	2,305.00	2,561.00		0.00	2,561.00		0.00	2,561.00	256.00	11.11%
1290.60	Prepaid Expenses:1290.60 + Work. Comp Insurance	12.00	86.00		0.00	86.00		0.00	86.00	74.00	616.67%
1290.65	Prepaid Expenses:1290.65 + Prepaid D&O Insurance	821.00	821.00		0.00	821.00		0.00	821.00	0.00	0.00%
1290.70	Prepaid Expenses:1290.70 + Coml. & Prop. Insurance	1,493.00	1,488.00		0.00	1,488.00		0.00	1,488.00	5.00	(0.33%)
1290.80	Prepaid Expenses:1290.80 + Services	3,435.00	4,043.00		0.00	4,043.00		0.00	4,043.00	608.00	17.70%
1290.90	Prepaid Expenses:1290.90 + Office Rent	2,877.00	2,877.00		0.00	2,877.00		0.00	2,877.00	0.00	0.00%
Subtotal [4400.00] Prepaid Expenses		14,252.00	16,844.00		0.00	16,844.00		0.00	16,844.00	2,592.00	18.19%
Total [4400] Prepaid Expenses		14,252.00	16,844.00		0.00	16,844.00		0.00	16,844.00	2,592.00	18.19%
Group : [4600] Property, Plant and Equipment											
Subgroup : [4600. Furniture and Fixtures]											
1310.00	Furniture and Fixtures	9,238.00	9,238.00		0.00	9,238.00		0.00	9,238.00	0.00	0.00%
1311.00	Furniture and Fixtures:1311.00 + Furniture - Donated	2,375.00	2,375.00		0.00	2,375.00		0.00	2,375.00	0.00	0.00%
Subtotal [4600.15] Furniture and Fixtures		11,613.00	11,613.00		0.00	11,613.00		0.00	11,613.00	0.00	0.00%
Subgroup : [4600. Office Equipment]											
1300.00	Office Equipment	39,650.00	43,394.00		5,293.00	48,687.00		0.00	48,687.00	3,744.00	9.44%
1500.00	Office Equipment:1500.00 + Equipment - NC Grant	636.00	636.00	AJE - 105	0.00	636.00		0.00	636.00	0.00	0.00%
1600.00	Office Equipment:1600.00 + Fixed Assets - Donated	9,574.00	9,574.00		0.00	9,574.00		0.00	9,574.00	0.00	0.00%
Subtotal [4600.20] Office Equipment		49,860.00	53,604.00		5,293.00	58,897.00		0.00	58,897.00	3,744.00	7.51%
Subgroup : [4600. Accumulated Depreciation]											
1700.00	Accumulated depreciation	(53,096.00)	(57,551.00)		(706.00)	(58,257.00)		0.00	(58,257.00)	4,455.00	8.39%
				AJE - 105	(706.00)						

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	ADJ	JE Ref #	RJE	FINAL	\$ VAR	% VAR
		6/30/2017	6/30/2018			6/30/2018			6/30/2018		
Subtotal [4600.60] Accumulated Depreciation		<u>(53,096.00)</u>	<u>(57,551.00)</u>		<u>(706.00)</u>	<u>(58,257.00)</u>		<u>0.00</u>	<u>(58,257.00)</u>	4,455.00	8.39%
Total [4600] Property, Plant and Equipment		<u>8,377.00</u>	<u>7,666.00</u>		<u>4,587.00</u>	<u>12,253.00</u>		<u>0.00</u>	<u>12,253.00</u>	711.00	(8.49%)
Group : [5100] Accounts Payable											
Subgroup : [5100. Accounts Payable]											
2000.00 Accounts Payable		(15,371.00)	(122,846.00)		0.00	(122,846.00)		0.00	(122,846.00)	107,475.00	699.21%
Subtotal [5100.00] Accounts Payable		<u>(15,371.00)</u>	<u>(122,846.00)</u>		<u>0.00</u>	<u>(122,846.00)</u>		<u>0.00</u>	<u>(122,846.00)</u>	107,475.00	699.21%
Subgroup : [5100. Sales Tax Payable]											
2070.00 Sales Tax Payable		(183.00)	(317.00)		0.00	(317.00)		0.00	(317.00)	134.00	73.22%
Subtotal [5100.25] Sales Tax Payable		<u>(183.00)</u>	<u>(317.00)</u>		<u>0.00</u>	<u>(317.00)</u>		<u>0.00</u>	<u>(317.00)</u>	134.00	73.22%
Subgroup : [5100. Credit Card Payable]											
2005.01 Card # 9020 S. Cunningham		0.00	(88.00)		0.00	(88.00)		0.00	(88.00)	88.00	0.00%
2005.32 Credit Cards:2005.32 + Card # 7178		(786.00)	(2,371.00)		0.00	(2,371.00)		0.00	(2,371.00)	1,585.00	201.65%
2005.40 Credit Cards:2005.40 + Card # 6051		(276.00)	(4,676.00)		0.00	(4,676.00)		0.00	(4,676.00)	4,400.00	1,594.20%
2005.45 Credit Cards:2005.45 + RBC - 2512 K Schrader		(10.00)	(10.00)		0.00	(10.00)		0.00	(10.00)	0.00	0.00%
2005.47 Credit Cards:2005.47 + RBC - 4538 Kathy Smith		62.00	(2,131.00)		0.00	(2,131.00)		0.00	(2,131.00)	2,193.00	(3,537.10%)
2005.48 Credit Cards:2005.48 + RBC - 2488 K. Ingram		(3.00)	(3.00)		0.00	(3.00)		0.00	(3.00)	0.00	0.00%
2005.49 Credit Cards:2005.49 + Card # 7123		(2,343.00)	(1,796.00)		0.00	(1,796.00)		0.00	(1,796.00)	547.00	(23.35%)
2005.50 Credit Cards:2005.50 + Card # 0463		(3,323.00)	(4,187.00)		0.00	(4,187.00)		0.00	(4,187.00)	864.00	26.00%
2005.51 Credit Cards:2005.51 + Card # 7839 D. LeBlanc		(81.00)	(25.00)		0.00	(25.00)		0.00	(25.00)	56.00	(69.14%)
2005.53 Credit Cards:2005.53 + Card # 9804 A. Deluna		0.00	(459.00)		0.00	(459.00)		0.00	(459.00)	459.00	0.00%
2005.54 Credit Cards:2005.54 + Card # 6539 E. Canino		0.00	(187.00)		0.00	(187.00)		0.00	(187.00)	187.00	0.00%
2005.56 Credit Cards:2005.56 + Card # 9037 Andrea Dalporto		0.00	(71.00)		0.00	(71.00)		0.00	(71.00)	71.00	0.00%
Subtotal [5100.30] Credit Card Payable		<u>(6,760.00)</u>	<u>(16,004.00)</u>		<u>0.00</u>	<u>(16,004.00)</u>		<u>0.00</u>	<u>(16,004.00)</u>	9,244.00	136.75%
Total [5100] Accounts Payable		<u>(22,314.00)</u>	<u>(139,167.00)</u>		<u>0.00</u>	<u>(139,167.00)</u>		<u>0.00</u>	<u>(139,167.00)</u>	116,853.00	523.68%
Group : [5200] Accrued Liabilities											
Subgroup : [5200. Payroll Taxes Withheld and Accrued]											
2010.00 Other Accrued Liabilities:2010.00 + Payroll taxes withheld		15,106.00	15,106.00		0.00	15,106.00		0.00	15,106.00	0.00	0.00%
2010.10 Other Accrued Liabilities:2010.00 + Payroll taxes withheld:2010.10 + Taxes withheld		(262,940.00)	(262,940.00)		0.00	(262,940.00)		0.00	(262,940.00)	0.00	0.00%
2010.20 Other Accrued Liabilities:2010.00 + Payroll taxes withheld:2010.20 + Tax deposits		247,834.00	247,834.00		0.00	247,834.00		0.00	247,834.00	0.00	0.00%
2100.00 Other Accrued Liabilities		(62.00)	(62.00)		0.00	(62.00)		0.00	(62.00)	0.00	0.00%
Subtotal [5200.10] Payroll Taxes Withheld and Accrued		<u>(62.00)</u>	<u>(62.00)</u>		<u>0.00</u>	<u>(62.00)</u>		<u>0.00</u>	<u>(62.00)</u>	0.00	0.00%
Subgroup : [5200. Accrued Vacation]											
2020.00 Accrued Vacation Payable		(34,839.00)	(44,815.00)		0.00	(44,815.00)		0.00	(44,815.00)	9,976.00	28.63%
Subtotal [5200.15] Accrued Vacation		<u>(34,839.00)</u>	<u>(44,815.00)</u>		<u>0.00</u>	<u>(44,815.00)</u>		<u>0.00</u>	<u>(44,815.00)</u>	9,976.00	28.63%
Subgroup : [5200. Pension Contribution Payable]											
2040.00 403B Plan Contributions Withheld		681.00	681.00		0.00	681.00		0.00	681.00	0.00	0.00%
Subtotal [5200.25] Pension Contribution Payable		<u>681.00</u>	<u>681.00</u>		<u>0.00</u>	<u>681.00</u>		<u>0.00</u>	<u>681.00</u>	0.00	0.00%
Subgroup : [5200. Health Premium Contrib Withheld]											
2042.00 Hlth Premium Contrib. Withheld		633.00	898.00		0.00	898.00		0.00	898.00	265.00	41.86%
Subtotal [5200.45] Health Premium Contrib Withheld		<u>633.00</u>	<u>898.00</u>		<u>0.00</u>	<u>898.00</u>		<u>0.00</u>	<u>898.00</u>	265.00	41.86%
Total [5200] Accrued Liabilities		<u>(33,587.00)</u>	<u>(43,298.00)</u>		<u>0.00</u>	<u>(43,298.00)</u>		<u>0.00</u>	<u>(43,298.00)</u>	9,711.00	28.91%
Group : [5400] Capital Leases											
Subgroup : [5400. Non-Current Portion of Capital Lease Obligations]											
TG-3 Lease liability		0.00	0.00		(4,661.00)	(4,661.00)		0.00	(4,661.00)	0.00	0.00%
					AJE - 105 (5,293.00)						
					AJE - 105 632.00						
Subtotal [5400.05] Non-Current Portion of Capital Lease Obligations		<u>0.00</u>	<u>0.00</u>		<u>(4,661.00)</u>	<u>(4,661.00)</u>		<u>0.00</u>	<u>(4,661.00)</u>	0.00	0.00%
Total [5400] Capital Leases		<u>0.00</u>	<u>0.00</u>		<u>(4,661.00)</u>	<u>(4,661.00)</u>		<u>0.00</u>	<u>(4,661.00)</u>	0.00	0.00%
Group : [5600] Deferred Revenue											
Subgroup : [5600. Deferred Revenue]											
2301.00 Deferred Revenue JRE Grant		0.00	(67,475.00)		67,475.00	0.00		0.00	0.00	67,475.00	0.00%
2309.00 Deferred Revenue-TDE Triple P		(300,000.00)	(46,521.00)		0.00	(46,521.00)		0.00	(46,521.00)	253,479.00	(84.49%)
2310.00 Deferred Revenue - Duke Grant		(537,309.00)	(16,924.00)		0.00	(16,924.00)		0.00	(16,924.00)	520,385.00	(96.85%)
2329.00 Deferred Revenue - Other:2329.00 + Deferred Revenue - Memberships		(2,210.00)	0.00		0.00	0.00		0.00	0.00	2,210.00	(100.00%)
2330.00 Deferred Revenue - Other:2330.00 + Deferred Revenue Training Fees		(800.00)	(350.00)		0.00	(350.00)		0.00	(350.00)	450.00	(56.25%)
Subtotal [5600.00] Deferred Revenue		<u>(840,319.00)</u>	<u>(131,270.00)</u>		<u>67,475.00</u>	<u>(63,795.00)</u>		<u>0.00</u>	<u>(63,795.00)</u>	709,049.00	(84.38%)
Total [5600] Deferred Revenue		<u>(840,319.00)</u>	<u>(131,270.00)</u>		<u>67,475.00</u>	<u>(63,795.00)</u>		<u>0.00</u>	<u>(63,795.00)</u>	709,049.00	(84.38%)

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 6/30/2017	UNADJ 6/30/2018	JE Ref #	AJE	ADJ 6/30/2018	JE Ref #	RJE	FINAL 6/30/2018	\$ VAR	% VAR
Group : [6100]	Net Assets										
Subgroup : [6100. Net Assets - Unrestricted											
3020.00	Unrestricted net assets	(1,318,768.00)	(1,319,022.00)		5,255.00	(1,313,767.00)		0.00	(1,313,767.00)	254.00	0.02%
				AJE - 1	5,255.00						
3900	3900 + Retained Earnings	799,911.00	0.00		0.00	0.00		0.00	0.00	799,911.00	(100.00%)
3900.00	ained Earnings	0.00	765,628.00		0.00	765,628.00		0.00	765,628.00	765,628.00	0.00%
Subtotal [6100.00] Net Assets - Unrestricted		(518,857.00)	(553,394.00)		5,255.00	(548,139.00)		0.00	(548,139.00)	34,537.00	6.66%
Subgroup : [6100. Net Assets - Temporarily Restricted											
3040.00	Temp. Restricted Net Assets	0.00	(500,000.00)		495,000.00	(5,000.00)		0.00	(5,000.00)	500,000.00	0.00%
				AJE - 1	495,000.00						
Subtotal [6100.10] Net Assets - Temporarily Restricted		0.00	(500,000.00)		495,000.00	(5,000.00)		0.00	(5,000.00)	500,000.00	0.00%
Total [6100] Net Assets		(518,857.00)	(1,053,394.00)		500,255.00	(553,139.00)		0.00	(553,139.00)	534,537.00	103.02%
Group : [7100]	Pledges and Contributions										
Subgroup : [7100. Corporate Contributions											
4025.00	Corporate Contributions	(10,994.00)	(7,401.00)		0.00	(7,401.00)		0.00	(7,401.00)	3,593.00	(32.68%)
Subtotal [7100.15] Corporate Contributions		(10,994.00)	(7,401.00)		0.00	(7,401.00)		0.00	(7,401.00)	3,593.00	(32.68%)
Subgroup : [7100. Individual Contributions											
4035.00	Individual Contributions	(71,885.00)	(36,531.00)		0.00	(36,531.00)		0.00	(36,531.00)	35,354.00	(49.18%)
4035.10	Individual Contributions:4035.10 + Board Giving	(23,930.00)	(35,367.00)		0.00	(35,367.00)		0.00	(35,367.00)	11,437.00	47.79%
4035.20	Individual Contributions:4035.20 + Indirect Contributions	(19,524.00)	(82,747.00)		0.00	(82,747.00)		0.00	(82,747.00)	63,223.00	323.82%
Subtotal [7100.20] Individual Contributions		(115,339.00)	(154,645.00)		0.00	(154,645.00)		0.00	(154,645.00)	39,306.00	34.08%
Subgroup : [7100. Organization Contributions											
4045.00	Organization Contributions	(46,210.00)	(848.00)		0.00	(848.00)		0.00	(848.00)	45,362.00	(98.16%)
Subtotal [7100.25] Organization Contributions		(46,210.00)	(848.00)		0.00	(848.00)		0.00	(848.00)	45,362.00	(98.16%)
Subgroup : [7100. In-kind donations											
4170.00	4170.00 + Donations - In Kind	(660.00)	0.00		0.00	0.00		0.00	0.00	660.00	(100.00%)
Subtotal [7100.30] In-kind donations		(660.00)	0.00		0.00	0.00		0.00	0.00	660.00	(100.00%)
Total [7100] Pledges and Contributions		(173,203.00)	(162,894.00)		0.00	(162,894.00)		0.00	(162,894.00)	10,309.00	(5.95%)
Group : [7160]	Realized and Unrealized Gains and Losses on Investments										
Subgroup : [7160. Unrealized Gains and Losses-Unrestricted											
4700.00	4700.00 Unrealized Gain/Loss Investment	0.00	0.00		179.00	179.00		0.00	179.00	0.00	0.00%
				AJE - 1	179.00						
Subtotal [7160.15] Unrealized Gains and Losses-Unrestricted		0.00	0.00		179.00	179.00		0.00	179.00	0.00	0.00%
Total [7160] Realized and Unrealized Gains and Losses on Investments		0.00	0.00		179.00	179.00		0.00	179.00	0.00	0.00%
Group : [7170]	Other Unrestricted Revenue										
Subgroup : [7170. Special Events											
4120.00	Special Events:4125.00 + Individual Events	0.00	(24,117.00)		0.00	(24,117.00)		0.00	(24,117.00)	24,117.00	0.00%
Subtotal [7170.10] Special Events		0.00	(24,117.00)		0.00	(24,117.00)		0.00	(24,117.00)	24,117.00	0.00%
Subgroup : [7170. Membership Dues											
4410.10	Memberships:4410.10 + Circle Parents Memberships	(19,800.00)	(22,800.00)		0.00	(22,800.00)		0.00	(22,800.00)	3,000.00	15.15%
4410.11	Memberships:4410.11 + Incredible Years Membership	(63,750.00)	(63,750.00)		0.00	(63,750.00)		0.00	(63,750.00)	0.00	0.00%
4410.12	Memberships:4410.12 + Strengthening Membership	(12,500.00)	(13,750.00)		0.00	(13,750.00)		0.00	(13,750.00)	1,250.00	10.00%
4410.20	Memberships:4410.20 + Individual Memberships	(280.00)	(595.00)		0.00	(595.00)		0.00	(595.00)	315.00	112.50%
4410.30	Memberships:4410.30 + Organization Memberships	(5,735.00)	(5,300.00)		0.00	(5,300.00)		0.00	(5,300.00)	435.00	(7.59%)
Subtotal [7170.15] Membership Dues		(102,065.00)	(106,195.00)		0.00	(106,195.00)		0.00	(106,195.00)	4,130.00	4.05%
Subgroup : [7170. Interest Income											
4450.00	Other Income:4450.00 + Interest Income	(2,636.00)	(3,483.00)		(623.00)	(4,106.00)		0.00	(4,106.00)	847.00	32.13%
				AJE - 1	(623.00)						
Subtotal [7170.20] Interest Income		(2,636.00)	(3,483.00)		(623.00)	(4,106.00)		0.00	(4,106.00)	847.00	32.13%
Subgroup : [7170. Grant Revenue											
4330.00	Grant-Duke Endowment Triple P	0.00	(253,479.00)		0.00	(253,479.00)		0.00	(253,479.00)	253,479.00	0.00%
4331.00	Grant - Duke Endowment	(404,049.00)	(415,980.00)		0.00	(415,980.00)		0.00	(415,980.00)	11,931.00	2.95%
4331.10	Duke Endowment Carry Forward	0.00	(104,405.00)		0.00	(104,405.00)		0.00	(104,405.00)	104,405.00	0.00%
4340.00	Grants - Other:4342.00 + Grants - Various Unrestricted	(5,500.00)	(155,050.00)		0.00	(155,050.00)		0.00	(155,050.00)	149,550.00	2,719.09%
4342.00	4340.00 + Grants - Other:4342.00 + Grants - Various Unrestricted	(184,500.00)	0.00		0.00	0.00		0.00	0.00	184,500.00	(100.00%)
Subtotal [7170.30] Grant Revenue		(594,049.00)	(928,914.00)		0.00	(928,914.00)		0.00	(928,914.00)	334,865.00	56.37%
Subgroup : [7170. Other Revenue											
4475.00	Other Income:4475.00 + Misc. Income	0.00	(277.00)		0.00	(277.00)		0.00	(277.00)	277.00	0.00%
Subtotal [7170.35] Other Revenue		0.00	(277.00)		0.00	(277.00)		0.00	(277.00)	277.00	0.00%

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Account	Description	1st PP-FINAL 6/30/2017	UNADJ 6/30/2018	JE Ref #	AJE	ADJ 6/30/2018	JE Ref #	RJE	FINAL 6/30/2018	\$ VAR	% VAR
Subgroup : [7170. Contract Revenue											
4250.00	Contract - State DSS	(569,697.00)	(603,504.00)		0.00	(603,504.00)		0.00	(603,504.00)	33,807.00	5.93%
4290.00	Contracts - Other	(16,666.00)	(8,334.00)		0.00	(8,334.00)		0.00	(8,334.00)	8,332.00	(49.99%)
4293.00	4290.00 + Contracts - Other:4293.00 + Contract - Public Health	(22,134.00)	0.00		0.00	0.00		0.00	0.00	22,134.00	(100.00%)
Subtotal [7170.40] Contract Revenue		(608,497.00)	(611,838.00)		0.00	(611,838.00)		0.00	(611,838.00)	3,341.00	0.55%
Subgroup : [7170. Training & Tech Assistance											
4200.00	Training & Tech Assist Income:4240.00 + Training	0.00	(26,950.00)		0.00	(26,950.00)		0.00	(26,950.00)	26,950.00	0.00%
4210.30	4200.00 + Training & Tech Assist Income:4210.00 + Conference:4210.30 + Summit Registration	(37,813.00)	0.00		0.00	0.00		0.00	0.00	37,813.00	(100.00%)
4210.40	4200.00 + Training & Tech Assist Income:4210.00 + Conference:4210.40 + Summit Exhibitors	(1,460.00)	0.00		0.00	0.00		0.00	0.00	1,460.00	(100.00%)
4210.50	4025.00 + Corporate Contributions:4210.50 + Summit Sponsors	(22,000.00)	0.00		0.00	0.00		0.00	0.00	22,000.00	(100.00%)
4240.00	4200.00 + Training & Tech Assist Income:4240.00 + Training	(34,081.00)	0.00		0.00	0.00		0.00	0.00	34,081.00	(100.00%)
Subtotal [7170.45] Training & Tech Assistance		(95,354.00)	(26,950.00)		0.00	(26,950.00)		0.00	(26,950.00)	68,404.00	(71.74%)
Subgroup : [7170. Sales Revenue											
4130.00	Sales	(41,101.00)	(52,523.00)		0.00	(52,523.00)		0.00	(52,523.00)	11,422.00	27.79%
4130.20	4130.00 + Sales:4130.20 + Bad Debts - Sales	63.00	0.00		0.00	0.00		0.00	0.00	63.00	(100.00%)
Subtotal [7170.50] Sales Revenue		(41,038.00)	(52,523.00)		0.00	(52,523.00)		0.00	(52,523.00)	11,485.00	27.99%
Subgroup : [170.5 Temp Restricted - Grant Revenue											
9910.00	Temp Restricted - Grant Various	0.00	0.00		(1,067,475.00)	(1,067,475.00)		0.00	(1,067,475.00)	0.00	0.00%
					AJE - 1 (500,000.00)						
					AJE - 104 (67,475.00)						
					AJE - 106 (500,000.00)						
Subtotal [170.55] Temp Restricted - Grant Revenue		0.00	0.00		(1,067,475.00)	(1,067,475.00)		0.00	(1,067,475.00)	0.00	0.00%
Total [7170] Other Unrestricted Revenue		(1,443,639.00)	(1,754,297.00)		(1,068,098.00)	(2,822,395.00)		0.00	(2,822,395.00)	310,658.00	21.52%
Group : [7200] Expenses											
Subgroup : [7200. Salaries											
5030.00	Salaries & Wages	943,951.00	1,130,560.00		0.00	1,130,560.00		0.00	1,130,560.00	186,609.00	19.77%
Subtotal [7200.00] Salaries		943,951.00	1,130,560.00		0.00	1,130,560.00		0.00	1,130,560.00	186,609.00	19.77%
Subgroup : [7200. Payroll Taxes											
5050.10	Benefits:5050.10 + Payroll tax expense	70,707.00	81,509.00		0.00	81,509.00		0.00	81,509.00	10,802.00	15.28%
5050.12	Benefits:5050.10 + Payroll tax expense:5050.12 + NC Unemployment Tax	5,240.00	4,747.00		0.00	4,747.00		0.00	4,747.00	493.00	(9.41%)
Subtotal [7200.05] Payroll Taxes		75,947.00	86,256.00		0.00	86,256.00		0.00	86,256.00	10,309.00	13.57%
Subgroup : [7200. Employee Benefits											
5050.20	Benefits:5050.20 + Health Insurance	93,643.00	89,370.00		0.00	89,370.00		0.00	89,370.00	4,273.00	(4.56%)
5050.30	Benefits:5050.30 + Work. Comp. Insurance	3,109.00	2,138.00		0.00	2,138.00		0.00	2,138.00	971.00	(31.23%)
5050.40	Benefits:5050.40 + Pension Plan Contribution Exp	30,515.00	43,963.00		0.00	43,963.00		0.00	43,963.00	13,448.00	44.07%
5050.50	Benefits:5050.50 + Staff Recognition	568.00	491.00		0.00	491.00		0.00	491.00	77.00	(13.56%)
5050.60	Benefits:5050.60 + Membership	4,285.00	4,382.00		0.00	4,382.00		0.00	4,382.00	97.00	2.26%
5050.70	Professional Development	9,057.00	29,312.00		0.00	29,312.00		0.00	29,312.00	20,255.00	223.64%
5050.75	5050.00 + Benefits:5050.70 + Professional Development:5050.75 + Outside fees	5.00	0.00		0.00	0.00		0.00	0.00	5.00	(100.00%)
5050.80	Benefits:5050.80 + Accrued Vacation Expense	12,098.00	9,976.00		0.00	9,976.00		0.00	9,976.00	2,122.00	(17.54%)
5050.90	Benefits:5050.90 + D&O Insurance	1,095.00	1,095.00		0.00	1,095.00		0.00	1,095.00	0.00	0.00%
Subtotal [7200.10] Employee Benefits		154,375.00	180,727.00		0.00	180,727.00		0.00	180,727.00	26,352.00	17.07%
Subgroup : [7200. Occupancy											
5700.10	Occupancy Expenses:5710.00 + Office Rental	0.00	36,100.00		0.00	36,100.00		0.00	36,100.00	36,100.00	0.00%
5710.00	5700.00 + Occupancy Expenses:5710.00 + Office Rental	33,063.00	0.00		0.00	0.00		0.00	0.00	33,063.00	(100.00%)
5720.00	Occupancy Expenses:5720.00 + Coml. & Prop. Insurance	1,847.00	1,977.00		0.00	1,977.00		0.00	1,977.00	130.00	7.04%
5730.00	Occupancy Expenses:5730.00 + Taxes/Licenses	227.00	200.00		0.00	200.00		0.00	200.00	27.00	(11.89%)
Subtotal [7200.15] Occupancy		35,137.00	38,277.00		0.00	38,277.00		0.00	38,277.00	3,140.00	8.94%
Subgroup : [7200. Telephone											
5240.00	Telephone/Internet	7,305.00	5,884.00		0.00	5,884.00		0.00	5,884.00	1,421.00	(19.45%)
Subtotal [7200.20] Telephone		7,305.00	5,884.00		0.00	5,884.00		0.00	5,884.00	1,421.00	(19.45%)
Subgroup : [7200. Supplies											
5360.00	Supplies	7,911.00	8,190.00		0.00	8,190.00		0.00	8,190.00	279.00	3.53%
Subtotal [7200.25] Supplies		7,911.00	8,190.00		0.00	8,190.00		0.00	8,190.00	279.00	3.53%
Subgroup : [7200. Rental and Maintenance of Equipment											
5740.00	Maintenance	82.00	555.00		0.00	555.00		0.00	555.00	473.00	576.83%
5740.10	Maintenance:5740.10 + Equipment Maintenance	10,303.00	11,213.00		0.00	11,213.00		0.00	11,213.00	910.00	8.83%
5740.20	Maintenance:5740.20 + Other Maintenance	380.00	3,896.00		0.00	3,896.00		0.00	3,896.00	3,516.00	925.26%
Subtotal [7200.30] Rental and Maintenance of Equipment		10,765.00	15,664.00		0.00	15,664.00		0.00	15,664.00	4,899.00	45.51%
Subgroup : [7200. Printing and Publication											
5270.00	Copier	0.00	1,954.00		(799.00)	1,155.00		0.00	1,155.00	1,954.00	0.00%
					(799.00)						
5390.00	Printing	1,637.00	10,889.00		0.00	10,889.00		0.00	10,889.00	9,252.00	565.18%

Client: **NC-01375.0 - Prevent Child Abuse North Carolina, Inc.**
 Engagement: **AUD 2018 - Prevent Child Abuse, North Carolina Inc.**
 Period Ending: **6/30/2018**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	ADJ	JE Ref #	RJE	FINAL	\$ VAR	% VAR
		6/30/2017	6/30/2018			6/30/2018			6/30/2018		
Subtotal [7200.35] Printing and Publication		1,637.00	12,843.00		(799.00)	12,044.00		0.00	12,044.00	11,206.00	684.54%
Subgroup : [7200. Postage and Shipping]											
5330.00 Postage		12,579.00	13,882.00		0.00	13,882.00		0.00	13,882.00	1,303.00	10.36%
Subtotal [7200.40] Postage and Shipping		12,579.00	13,882.00		0.00	13,882.00		0.00	13,882.00	1,303.00	10.36%
Subgroup : [7200. Conferences and Meetings]											
5450.00 5400.00 + Conference & Training:5450.00 + Conference/Summit		25,231.00	0.00		0.00	0.00		0.00	0.00	25,231.00	(100.00%)
5450.10 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.10 + Speakers Honoraria		10,000.00	0.00		0.00	0.00		0.00	0.00	10,000.00	(100.00%)
5450.20 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.20 + Speakers Travel		695.00	0.00		0.00	0.00		0.00	0.00	695.00	(100.00%)
5450.30 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.30 + Conf. Postage		150.00	0.00		0.00	0.00		0.00	0.00	150.00	(100.00%)
5450.40 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.40 + Conf. Supplies		80.00	0.00		0.00	0.00		0.00	0.00	80.00	(100.00%)
5450.50 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.50 + Conf. Printing		1,242.00	0.00		0.00	0.00		0.00	0.00	1,242.00	(100.00%)
5450.60 5400.00 + Conference & Training:5450.00 + Conference/Summit:5450.60 + Conf. Services		10,042.00	0.00		0.00	0.00		0.00	0.00	10,042.00	(100.00%)
5450.80 Conference & Training:5450.80 + Incentives		0.00	48.00		0.00	48.00		0.00	48.00	48.00	0.00%
5450.90 Conference & Training:5450.00 + Conference/Summit:5450.90 + Other Conf. Expense		25,269.00	930.00		0.00	930.00		0.00	930.00	24,339.00	(96.32%)
5640.10 Conference & Training:5640.00 + Training Expense:5640.10 + Staff Training & CE		448.00	406.00		0.00	406.00		0.00	406.00	42.00	(9.38%)
5641.00 Conference & Training:5640.00 + Training Expense:5641.00 + Speakers/Trainers Fees		13,250.00	81,650.00		0.00	81,650.00		0.00	81,650.00	68,400.00	516.23%
5642.00 Conference & Training:5640.00 + Training Expense:5642.00 + Speakers/Trainers Travel		3,807.00	8,086.00		0.00	8,086.00		0.00	8,086.00	4,279.00	112.40%
5643.00 Conference & Training:5640.00 + Training Expense:5643.00 + Training Facilities		4,401.00	17,884.00		0.00	17,884.00		0.00	17,884.00	13,483.00	306.36%
5644.00 Conference & Training:5640.00 + Training Expense:5644.00 + Training Materials		4,973.00	11,454.00		0.00	11,454.00		0.00	11,454.00	6,481.00	130.32%
5645.00 Conference & Training:5640.00 + Training Expense:5645.00 + Training Meals		12,441.00	11,673.00		0.00	11,673.00		0.00	11,673.00	768.00	(6.17%)
5646.00 Conference & Training:5640.00 + Training Expense:5646.00 + Other Training Expenses		18,908.00	16,797.00		0.00	16,797.00		0.00	16,797.00	2,111.00	(11.16%)
5647.00 Conference & Training:5640.00 + Training Expense:5647.00 + Stipends		0.00	5,040.00		0.00	5,040.00		0.00	5,040.00	5,040.00	0.00%
5648.00 Conference & Training:5640.00 + Training Expense:5648.00 + Site Visits		0.00	3,481.00		0.00	3,481.00		0.00	3,481.00	3,481.00	0.00%
5649.00 Conference & Training:5640.00 + Training Expense:5649.00 + Incentive		0.00	2,192.00		0.00	2,192.00		0.00	2,192.00	2,192.00	0.00%
Subtotal [7200.45] Conferences and Meetings		130,937.00	159,641.00		0.00	159,641.00		0.00	159,641.00	28,704.00	21.92%
Subgroup : [7200. Travel]											
5150.00 Travel		34,447.00	41,000.00		0.00	41,000.00		0.00	41,000.00	6,553.00	19.02%
Subtotal [7200.50] Travel		34,447.00	41,000.00		0.00	41,000.00		0.00	41,000.00	6,553.00	19.02%
Subgroup : [7200. Professional Fees]											
5391.00 Advertising		0.00	6,000.00		0.00	6,000.00		0.00	6,000.00	6,000.00	0.00%
5810.00 Accounting & Audit		0.00	160.00		0.00	160.00		0.00	160.00	160.00	0.00%
5810.20 Accounting & Audit:5810.20 + Accounting Services		11,472.00	13,453.00		0.00	13,453.00		0.00	13,453.00	1,981.00	17.27%
5830.00 Consultants		90,006.00	78,317.00		0.00	78,317.00		0.00	78,317.00	11,689.00	(12.99%)
5850.00 Outside Services		18,298.00	4,355.00		0.00	4,355.00		0.00	4,355.00	13,943.00	(76.20%)
Subtotal [7200.55] Professional Fees		119,776.00	102,285.00		0.00	102,285.00		0.00	102,285.00	17,491.00	(14.60%)
Subgroup : [7200. Depreciation]											
6310.01 Depreciation:6310.01 + Depreciation office furniture		400.00	0.00		0.00	0.00		0.00	0.00	400.00	(100.00%)
6320.01 Depreciation:6320.01 + Depreciation office equipment		7,914.00	4,455.00		706.00	5,161.00		0.00	5,161.00	3,459.00	(43.71%)
				AJE - 105	706.00						
Subtotal [7200.70] Depreciation		8,314.00	4,455.00		706.00	5,161.00		0.00	5,161.00	3,859.00	(46.42%)
Subgroup : [7200. Interest Expense]											
TG-4 Interest expense		0.00	0.00		167.00	167.00		0.00	167.00	0.00	0.00%
				AJE - 105	167.00						
Subtotal [7200.80] Interest Expense		0.00	0.00		167.00	167.00		0.00	167.00	0.00	0.00%
Subgroup : [7200. Equipment]											
5780.00 Equipment		1,344.00	2,876.00		0.00	2,876.00		0.00	2,876.00	1,532.00	113.99%
Subtotal [7200.95] Equipment		1,344.00	2,876.00		0.00	2,876.00		0.00	2,876.00	1,532.00	113.99%
Subgroup : [7200. Fees]											
5820.00 Fees & Service Charges		972.00	340.00		0.00	340.00		0.00	340.00	632.00	(65.02%)
5820.05 Fees & Service Charges:5820.05 + Bank Charges		1,500.00	3,382.00		0.00	3,382.00		0.00	3,382.00	1,882.00	125.47%
5820.15 Fees & Service Charges:5820.15 + Credit Card Fees		892.00	54.00		0.00	54.00		0.00	54.00	838.00	(93.95%)
5820.25 Fees & Service Charges:5820.25 + Other Fees & Charges		489.00	1,576.00		189.00	1,765.00		0.00	1,765.00	1,087.00	222.29%
				AJE - 1	189.00						
5820.35 Fees & Service Charges:5820.35 + PayPal Fees		723.00	809.00		0.00	809.00		0.00	809.00	86.00	11.89%
Subtotal [7200.100] Fees		4,576.00	6,161.00		189.00	6,350.00		0.00	6,350.00	1,585.00	34.64%
Subgroup : [7210 Program]											
5520.40 Education/Public Awareness:5530.40 + Prev. Network Membership Exp.		0.00	232.00		0.00	232.00		0.00	232.00	232.00	0.00%
5530.00 Education/Public Awareness		4,208.00	19,508.00		0.00	19,508.00		0.00	19,508.00	15,300.00	363.59%
5530.05 Education/Public Awareness:5530.05 + April		28,119.00	34,644.00		0.00	34,644.00		0.00	34,644.00	6,525.00	23.20%
5530.40 5530.00 + Education/Public Awareness:5530.40 + Prev. Network Membership Exp.		229.00	0.00		0.00	0.00		0.00	0.00	229.00	(100.00%)
5530.45 Education/Public Awareness:5530.45 + Educational Materials		0.00	1,431.00		0.00	1,431.00		0.00	1,431.00	1,431.00	0.00%
5530.60 Education/Public Awareness:5530.60 + Advocacy		125.00	300.00		0.00	300.00		0.00	300.00	175.00	140.00%
5690.00 Education/Public Awareness:5690.00 + Volunteer Maintenance		878.00	890.00		0.00	890.00		0.00	890.00	12.00	1.37%
Subtotal [7210.105] Program		33,559.00	57,005.00		0.00	57,005.00		0.00	57,005.00	23,446.00	69.87%

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Account	Description	1st PP-FINAL 6/30/2017	UNADJ 6/30/2018	JE Ref #	AJE	ADJ 6/30/2018	JE Ref #	RJE	FINAL 6/30/2018	\$ VAR	% VAR
Subgroup : [7100. Special Events											
5615.00	Special Events Expenses	0.00	1,300.00		0.00	1,300.00		0.00	1,300.00	1,300.00	0.00%
Subtotal [7100.110] Special Events		<u>0.00</u>	<u>1,300.00</u>		<u>0.00</u>	<u>1,300.00</u>		<u>0.00</u>	<u>1,300.00</u>	1,300.00	0.00%
Total [7200] Expenses		<u>1,582,560.00</u>	<u>1,867,006.00</u>		<u>263.00</u>	<u>1,867,269.00</u>		<u>0.00</u>	<u>1,867,269.00</u>	284,446.00	17.97%
Sum of Account Groups		0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00%
Net (Income) Loss		(34,282.00)	(50,185.00)		(1,067,656.00)	(1,117,841.00)		0.00	(1,117,841.00)	15,903.00	46.39%