LA FAYETTE, MELSSEN & PLATH, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Center for Child Abuse Prevention
and Treatment
dba Family Enhancement Center
Minneapolis, MN 55406

We have audited the accompanying financial statements of Center for Child Abuse Prevention and Treatment (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Center for Child Abuse Prevention and Treatment as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

LaFayette, Melssen & Platt, Ltd.

Certified Public Accountants
August 21, 2014

CENTER FOR CHILD ABUSE PREVENTION AND TREATMENT

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015

ASSETS	
Current Assets	
Cash	$ 228,825
Accounts receivable, net	96,426
Prepaid expenses	12,996
Other receivables	40
Total Current Assets	338,287
Fixed assets	
Equipment	7,772
Accumulated depreciation	(2,525)
Total Fixed Assets	5,247
TOTAL ASSETS	$ 343,534
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accrued expenses	$ 19,877
Accounts payable	2,589
Capital lease obligation	721
Total Current Liabilities	23,187
Non-Current Liabilities	
Capital Lease Obligation	2,478
Total Non-Current Liabilities	2,478
Total Liabilities	25,665
NET ASSETS	
Unrestricted	317,869
Total Net Assets	317,869
TOTAL LIABILITIES AND NET ASSETS	$ 343,534

See Accompanying Notes to Financial Statements.

CENTER FOR SHILD ABUSE PREVENTION AND TREATMENT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

SUPPORT AND REVENUE	
Support	
Contributions	$ 101,731
Total Support	101,731
Revenue	
Program service fees	706,596
Fundraising events, net of contributions and expenses	3,763
Other	502
Total Revenue	710,861
TOTAL SUPPORT AND REVENUE	812,592
EXPENSES	
Program	734,694
Management and general	80,148
Fundraising	6,105
TOTAL EXPENSES	820,947
(Decrease) in net assets	(8,355)
Net assets, beginning of year	326,224
Net assets, end of year	$ 317,869

See Accompanying Notes to Financial Statements.

CENTER FOR CHILD ABUSE PREVENTION AND TREATMENT

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015

	2015			
	Program	Management & General	Fundraising	Total
Salary & Benefits	$ 659,263	$ 52,370	$ 4,978	$ 716,611
Contract & Prof Services	6,838	15,686	-	22,524
Program Expenses	20,406	164	-	20,570
Office & Operating Expenses	37,780	8,330	806	46,916
Travel, Traning & Meetings	1,517	724	-	2,241
Insurance, Marketing & Other	4,154	2,287	321	6,762
Business Expenses	4,736	587	-	5,323
	$ 734,694	$ 80,148	$ 6,105	$ 820,947

See Accompanying Notes to Financial Statements.

CENTER FOR CHILD ABUSE PREVENTION AND TREATMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:	
Change in net assets	$ (8,355)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities	
Depreciation	1,440
Accounts receivable	(20,292)
Prepaid expenses	(3,521)
Accounts payable	(1,015)
Accrued expenses	8,911
Net cash (used in) operating activates	(22,832)
Cash flows from investing activities	
Purchase of fixed assets	(761)
Net cash (used in) investing activities	(761)
Cash flows from financing activities	
Payments on capital lease	(652)
Net cash (used in) financing activities	(652)
Net (decrease) in cash	(24,245)
Cash, beginning of year	253,070
Cash, end of year	$ 228,825
Interest Expnese	$ 356

CENTER FOR CHILD ABUSE PREVENTION AND TREATMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NATURE OF ACTIVITIES

Center for Child Abuse Prevention and Treatment, dba Family Enhancement Center (the Center) is a nonprofit organization established in 1993 with a mission to build a violence free community by enhancing the family's capacity to instill in its children dignity, self-worth and potential for meaningful lives by providing an innovative program of education, prevention and intervention.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America

Basis of Presentation

The Center prepares its financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Center is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Temporarily restricted: Temporarily restricted net assets include those net assets whose use has been donor restricted by either specified time or purpose limitation. As of June 30, 2015, the Center does not have any temporarily restricted net assets.

Permanently restricted: Permanently restricted net assets represent funds that are restricted in perpetuity by the donor. As of June 30, 2015, the Center does not have any permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to any extent it has taxable income that is not related to its tax exempt purpose. Unrelated business income is taxed at the corporate income tax rate. Management believes the Center did not have any unrelated business income during fiscal year ending June 30, 2015.

The Center requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Center does not believe its financial statements include, or reflect, any uncertain tax positions. Tax years from June 30, 2012 to the present remain subject to examination by taxing authorities.

Accounts Receivable and Valuation Allowance

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectable amounts through a charge to activities and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of June 30, 2015, management has estimated an allowance for doubtful accounts of $9,212.

Equipment

Equipment is shown in the financial statements at cost. Equipment depreciation is computed on the straight-line method based upon estimated useful lives of the assets. Depreciation expense amounted to $1,440 as of June 30, 2015.

When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts. Any resulting gain or loss on disposal is recognized as income or expense at the time of retirement or disposal. Maintenance and repair expenditures are expensed as incurred.

Contributions and Grants

Contributions and grants, including unconditional promises to give, are recorded as made. All contributions and grants are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Fixed Asset Capitalization Policy

Currently, the Center does not have a written fixed asset capitalization policy. However, management has traditionally recorded all fixed asset purchases in which it was estimated that the life of the item was greater than one year on the balance sheet for an individual item (or group of similar items) of $500 or more.

ALLOCATION OF EXPENSES BY FUNCTION

The costs of providing the program and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DONATED SERVICES AND MATERIALS

Many individuals have donated time and services to advance the Center's program and objectives. The value of these services has not been recorded in the financial statements because it does not meet the definition for recognition under generally accepted accounting principles.

BUSINESS CONCENTRATIONS

The Center received 66% of its revenue from Hennepin County, Minnesota for services provided for the year ended June 30, 2015.

OFFICE LEASE

The Center leases office space on a month-to-month basis. The office lease payments for space totaled to $28,000 for the year ended June 30, 2015.

SOFTWARE LEASE

Starting in December 2012, the Center entered into an operating lease for a web-based electronic health record system, for a three year term ending December 15, 2015. The lease calls for a monthly access charge fee of $255.

The future minimum access fees for the year ended June 30 are as follows:

• 2016	$ 1,237

CAPITAL LEASE OBLIGATION

In March 2014, the Center entered into a lease agreement for a copier. The copier was capitalized at $3,953 and will be depreciated over the estimated economic life of 5 years, using the straight line method.

Aggregate future minimum lease payments under capital lease obligation as of June 30, 2015 are approximated as follows:

Year ending June 30,

• 2016	$ 1,008
• 2017	1,008
• 2018	1,008
• 2019	840
Total future minimum lease payments	3,864
Less amount representing interest	(665)
Present value of future minimum payments	$ 3,199

Total interest expense under this capital lease for the year ended June 30, 2015 was $356.

LINE OF CREDIT

The Center has an unsecured line of credit for $27,000 with its bank. The annual interest rate is 5.75%. There was no balance due as of June 30, 2015.

CREDIT CARDS

The Center maintained three credit card accounts on which it can cumulatively borrow up to $47,000 as of June 30, 2015. Balances on these accounts accrue interest at variable rates of interest. Advances on these accounts are included in accounts payable on the Statement of Financial Position.

COMPENSATED ABSENCES

Employees of the Center are entitled to be paid for unused vacation days which accumulate based on job classification, length of service and other factors. Currently, vacation is accrued on a calendar year, which is different from the Center's fiscal year end. Unused vacation at June 30 is forfeited unless specifically approved for carryover by management.

CENTER FOR CHILD ABUSE PREVENTION AND TREATMENT

EMPLOYEE HEALTH AND DENTAL BENEFITS

The Center provides for medical and dental insurance for eligible full time employees. The Center pays 75% of the premium and the employee pays 25%.

SUBSEQUENT EVENTS

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through August 21, 2015, the date the financial statements were available to be issued.