

NASHVILLE CONFLICT RESOLUTION CENTER

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2009 and 2008**

NASHVILLE CONFLICT RESOLUTION CENTER

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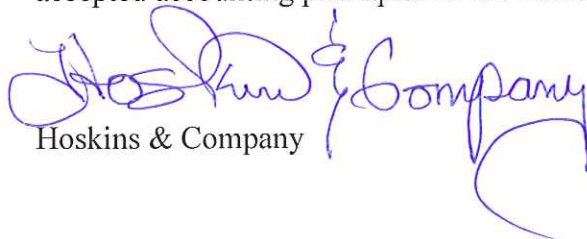
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nashville Conflict Resolution Center
4732 W. Longdale Drive
Nashville, TN 37211

We have audited the accompanying statement of financial position of *Nashville Conflict Resolution Center* (a not-for-profit organization) as of June 30, 2009 and June 30, 2008 and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of *Nashville Conflict Resolution Center's* management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Nashville Conflict Resolution Center* as of June 30, 2009 and June 30, 2008 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.


Hoskins & Company

October 13, 2009

**NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008**

Assets		
	2009	2008
Current Assets		
Cash and cash equivalents	\$ 36,721	\$ 5,400
Prepaid expenses	2,170	2,323
Accounts receivable	5,318	7,815
Total current assets	44,209	15,538
Property and equipment		
Property & equipment (Net of accumulated depreciation)	753	1,473
Total property and equipment	753	1,473
Total Assets	\$ 44,962	\$ 17,011
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	\$ 173	\$ 1,300
Accrued vacation payables	3,200	1,280
Total current liabilities	3,373	2,580
Net Assets		
Net assets - unrestricted	41,485	13,320
Net assets - temporarily restricted	104	1,111
Total Net Assets	41,589	14,431
Total Liabilities and Net assets	\$ 44,962	\$ 17,011

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support and Revenues		
Unrestricted net assets		
Public support and revenue		
Unrestricted contributions	\$ 5,538	\$ 394
Program service revenue	107,843	30,540
Total public support and revenues	113,381	30,934
Net asset released from restriction	1,007	500
Total support and revenues	114,388	31,434
Expenses		
Operating expenses		
General & administrative	\$ 9,543	\$ 3,391
Program	73,134	23,554
Fundraising	3,545	1,129
Total operating expenses	86,222	28,074
Temporarily restricted contributions		
Net asset released from restriction	(1,007)	(500)
Changes in temporarily restricted net assets	(1,007)	(500)
Increase in net assets	27,159	2,860
Net assets, beginning of year	14,431	11,571
Net assets, end of year	\$ 41,590	\$ 14,431

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

**NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
Cash flows from operating activities		
Increase in net assets	\$ 27,159	\$ 2,860
Adjustments to reconcile change in net assets to net cash(used) provided by operating activities:		
Depreciation	720	1,127
Decrease (Increase) in accounts receivable	2,497	(7,815)
Decrease (Increase) in prepaid expenses	153	(1,176)
Decrease in accounts payable	(1,127)	(702)
Increase in accrued vacation payables	1,920	1,280
Net cash provided by operating activities	31,322	(4,426)
 Cash flows from investing activities		
Payments for purchase of computer	-	(1,068)
Net cash used by investing activities	-	(1,068)
 Cash flows from financing activities		
Net increase in cash and cash equivalents	31,322	(5,494)
Cash and cash equivalents, beginning of year	5,400	10,894
Cash and cash equivalents, end of year	\$ 36,722	\$ 5,400

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

**NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009**

	<u>General & Administrative</u>	<u>Program Expense</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salary expenses	\$ 4,585	\$ 38,957	\$ 2,291	\$ 45,833
Payroll taxes	440	3,742	220	4,402
Employee benefits	503	4,276	252	5,031
Depreciation	108	612	-	720
License & fees	52	464	-	516
Office equipment	244	913	62	1,219
Membership and subscriptions	46	246	15	307
Office supplies	423	1,587	104	2,114
Meal expenses	257	1,452	-	1,709
Storage space rental	486	2,752	-	3,238
Marketing	131	2,198	108	2,437
Payroll processing fee	128	1,070	64	1,262
Miscellaneous	107	1,806	89	2,002
Postage	95	492	32	619
Printing and reproduction	189	1,325	-	1,514
Insurance	153	1,380	-	1,533
Telephone service	51	920	52	1,023
Professional fees	1,545	4,919	256	6,720
Volunteer mediation training	-	4,024	-	4,024
Total Expenses	<u>\$ 9,543</u>	<u>\$ 73,134</u>	<u>\$ 3,545</u>	<u>\$ 86,222</u>

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

NASHVILLE CONFLICT RESOLUTION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	<u>General & Administrative</u>	<u>Program Expense</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salary expenses	\$ 1,393	\$ 11,837	\$ 696	\$ 13,926
Payroll taxes	182	1,548	91	1,821
Employee benefits	128	1,088	64	1,280
Depreciation	169	958	-	1,127
License & fees	10	90	-	100
Office equipment	75	281	19	375
Membership and subscriptions	34	180	11	225
Office supplies	85	319	21	425
Moving expense	41	232	-	273
Storage space rental	45	255	-	300
Payroll processing fee	26	218	13	257
Miscellaneous	6	101	5	112
Postage	15	78	5	98
Printing and reproduction	2	14	-	16
Insurance	211	1,896	-	2,107
Telephone service	49	884	50	983
Professional fees	920	2,922	154	3,996
Volunteer mediation training	-	653	-	653
Total expenses	<u>\$ 3,391</u>	<u>\$ 23,554</u>	<u>\$ 1,129</u>	<u>\$ 28,074</u>

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

**NASHVILLE CONFLICT RESOLUTION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009 AND 2008**

NOTE 1---SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Nashville Conflict Resolution Center (the "Organization") is a not-for-profit organization chartered under the laws of the State of Tennessee on August 14, 2000. The Organization is exempt from income taxes under Code Section 501(c) (3) of the Internal Revenue Code. The Organization operates as a philanthropic entity seeking to improve the lives of Nashville residents, particularly those in underserved communities or otherwise disadvantaged in the judicial system, by providing pro bono or low cost mediation services by teaching effective, nonviolent conflict resolution skills.

Basis of Accounting

The financial statements for the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Basis of Presentation

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. The Organization does not have any permanently restricted net assets.

Donated Services

Several individuals have contributed significant amounts of time to the Organization without compensation. The financial statements do not reflect the value of those contributed services because no reliable basis exists for determining an appropriate amount.

Revenue, Support, and Expenses

The Organization receives its contributions from foundations, its members, and other individuals, and recognizes revenue when cash or a firm promise to give is obtained.

Contributions received are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**NASHVILLE CONFLICT RESOLUTION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009 AND 2008**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a tax-exempt entity under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income tax is considered necessary.

Fixed Assets

Disbursements for property and equipment, consisting of office equipment and furniture, are reflected in the statement of financial position at cost. Donated assets with donor stipulations as to specific purpose(s) are reported as restricted contributions until it is placed in the service for which it is restricted. Depreciation, which is reflected as an expense in the statement of activities, is computed on the straight-line method over the useful life of the asset.

Functional Expenses

Management allocates expenses on a functional basis among its various programs, including support services and fundraising activities. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

NOTE 2---PROPERTY AND EQUIPMENT

Depreciation expense as of June 30, 2009 was \$720. A summary of property and equipment as of June 30, 2009 and 2008 were as follows.

	<u>2009</u>	<u>2008</u>
Office equipment	\$ 5,749	\$ 5,749
Library – training materials	3,110	3,110
Furniture	<u>3,079</u>	<u>3,079</u>
	11,938	11,938
Less: accumulated depreciation	<u>(11,185)</u>	<u>(10,465)</u>
Property and equipment, net	<u>\$ 753</u>	<u>\$ 1,473</u>