

**FRIENDS IN GENERAL, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2015 and 2014**

**FRIENDS IN GENERAL, INC.**

**TABLE OF CONTENTS**

Independent Auditor’s Report..... 2 – 3

Financial Statements:

    Statements of Financial Position ..... 4

    Statements of Activities ..... 5 – 6

    Statements of Functional Expenses ..... 7 – 8

    Statements of Cash Flows..... 9

Notes to Financial Statements..... 10 – 13



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Friends in General, Inc.  
Nashville, Tennessee

We have audited the accompanying financial statements of Friends in General, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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. 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 Friends in General, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Frasier, Dean & Howard, PLLC*

Nashville, Tennessee  
August 26, 2015

**FRIENDS IN GENERAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 274,378	\$ 248,753
Contributions receivable	<u>39,012</u>	<u>35,565</u>
Total assets	<u><u>\$ 313,390</u></u>	<u><u>\$ 284,318</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	<u>\$ 26,283</u>	<u>\$ 11,738</u>
Total liabilities	<u>26,283</u>	<u>11,738</u>
Net assets:		
Unrestricted	195,819	199,307
Temporarily restricted	<u>91,288</u>	<u>73,273</u>
Total net assets	<u>287,107</u>	<u>272,580</u>
Total liabilities and net assets	<u><u>\$ 313,390</u></u>	<u><u>\$ 284,318</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Contributions and other	\$ 25,778	\$ 50,060	\$ 75,838
In-kind donations	13,246	-	13,246
Interest income	99	-	99
Net assets released from timing restrictions	<u>32,045</u>	<u>(32,045)</u>	<u>-</u>
Total revenue	<u>71,168</u>	<u>18,015</u>	<u>89,183</u>
Expenses:			
Program services	49,659	-	49,659
Management and general	24,488	-	24,488
Fundraising costs	<u>509</u>	<u>-</u>	<u>509</u>
Total expenses	<u>74,656</u>	<u>-</u>	<u>74,656</u>
Change in net assets	(3,488)	18,015	14,527
Net assets, beginning of year	<u>199,307</u>	<u>73,273</u>	<u>272,580</u>
Net assets, end of year	<u><u>\$ 195,819</u></u>	<u><u>\$ 91,288</u></u>	<u><u>\$ 287,107</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Contributions and other	\$ 41,356	\$ 68,672	\$ 110,028
In-kind donations	18,988	-	18,988
Other income	250	-	250
Interest income	115	-	115
Net assets released from timing restrictions	29,149	(29,149)	-
Total revenue	<u>89,858</u>	<u>39,523</u>	<u>129,381</u>
Expenses:			
Program services	61,453	-	61,453
Management and general	29,789	-	29,789
Fundraising costs	1,251	-	1,251
Total expenses	<u>92,493</u>	<u>-</u>	<u>92,493</u>
Change in net assets	(2,635)	39,523	36,888
Net assets, beginning of year	<u>201,942</u>	<u>33,750</u>	<u>235,692</u>
Net assets, end of year	<u><u>\$ 199,307</u></u>	<u><u>\$ 73,273</u></u>	<u><u>\$ 272,580</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2015**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising Costs</b>	<b>Total</b>
Mammograms in May grants	\$ 37,765	\$ -	\$ -	\$ 37,765
Salaries (in-kind)	-	13,246	-	13,246
Family and Legacy	6,009	-	-	6,009
Professional fees	-	5,000	-	5,000
Oncology patient fund	4,280	-	-	4,280
Printing	-	1,926	-	1,926
Insurance	-	1,664	-	1,664
Catering	1,143	-	-	1,143
Donations	-	1,100	-	1,100
Fundraising	-	-	509	509
Other	-	465	-	465
Staff development and meetings	462	-	-	462
Marketing	-	442	-	442
Dues and subscriptions	-	400	-	400
Postage	-	245	-	245
	<u>\$ 49,659</u>	<u>\$ 24,488</u>	<u>\$ 509</u>	<u>\$ 74,656</u>

See accompanying notes.



**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2014**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising Costs</b>	<b>Total</b>
Mammograms in May grants	\$ 25,993	\$ -	\$ -	\$ 25,993
Salaries and benefits	22,488	-	-	22,488
Salaries (in-kind)	-	18,988	-	18,988
Dental health initiative	6,906	-	-	6,906
Professional fees	-	6,156	-	6,156
Travel	2,971	-	-	2,971
Family and Legacy	1,592	-	-	1,592
Staff development and meetings	-	1,575	-	1,575
Insurance	-	1,561	-	1,561
Other grant expenses	1,300	-	-	1,300
Fundraising	-	-	1,251	1,251
Marketing	-	990	-	990
Dues and subscriptions	-	273	-	273
Catering	203	-	-	203
Computer	-	200	-	200
Postage	-	46	-	46
	<u>\$ 61,453</u>	<u>\$ 29,789</u>	<u>\$ 1,251</u>	<u>\$ 92,493</u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 14,527	\$ 36,888
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Contributions receivable	(3,447)	(1,815)
Accounts payable	<u>14,545</u>	<u>7,906</u>
Net cash provided by operating activities	<u>25,625</u>	<u>42,979</u>
Net increase in cash and cash equivalents	25,625	42,979
Cash and cash equivalents, beginning of year	<u>248,753</u>	<u>205,774</u>
Cash and cash equivalents, end of year	<u><u>\$ 274,378</u></u>	<u><u>\$ 248,753</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**General**

Friends in General, Inc. (“Friends”) was established in 1977 as a Tennessee nonprofit corporation to provide resources to support various programs of Nashville General Hospital at Meharry (“NGHM”).

**Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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 stipulations that may or will be met, either by actions of Friends and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor imposed stipulations that they be maintained permanently. Friends has no permanently restricted net assets at June 30, 2015 and 2014.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, Friends considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Contributions**

Contributions are recognized when the donor makes a promise to give to Friends that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restrictions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Friends uses the allowance method to determine uncollectible contributions receivable.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Donated Goods and Services**

Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Friends receives executive director and other administrative services from employees of NGHM. The value of such services (\$13,246 and \$18,988 for 2015 and 2014, respectively) is recorded as an in-kind donation.

Additionally, Friends receives a significant amount of contributed time from unpaid members and volunteers who assist in fundraising and special projects that does not meet the recognition criteria described above. Accordingly, the value of the contributed time has not been determined and is not reflected in the accompanying financial statements.

**Income Taxes**

No provision for federal income taxes is made in the accompanying financial statements, as Friends is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

Friends follows the Financial Accounting Standards Board Accounting Standards Codification guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Friends has no tax penalties or interest reported in the accompanying financial statements. Tax years that remain open for examination include years ended June 30, 2013 through June 30, 2015.

**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.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Functional Allocation of Expenses**

Expenses have been allocated between program, management and general and fundraising based on estimates made by management.

**Subsequent Events**

Friends evaluated subsequent events through August 26, 2015 when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the accompanying financial statements.

**NOTE 2 – GRANTS**

Friends' primary function is to provide funds to NGHМ. NGHМ is a publicly supported, academically affiliated, community based hospital committed to providing excellent healthcare regardless of age, race, creed, gender, sexual preference or ability to pay. Contributions are primarily made to support NGHМ's programs which have included free mammograms to low-income women as well as other healthcare related services such as special machines from which patients can get certain prescriptions filled.

**NOTE 3 – CONCENTRATIONS**

Friends received approximately 40% of its contributions from one major donor for the year ended June 30, 2015. Friends received approximately 53% of its contributions from two major donors for the year ended June 30, 2014. A decrease in the level of support from those donors, if this were to occur, would have a significant impact on Friends' ability to fund its programs. Friends intends to increase fundraising efforts and its variety of contributors by applying for additional grants and soliciting donor support.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following promises to give to Friends in the future at June 30:

	<u>2015</u>	<u>2014</u>
Susan Komen Foundation	\$ 49,742	\$ 41,507
Baptist Healing Trust	31,766	31,766
Oncology Patient Fund	<u>9,780</u>	<u>-</u>
	<u>\$ 91,288</u>	<u>\$ 73,273</u>

**NOTE 5 – RELATED PARTY**

Friends pays for a portion of the Mammograms in May program at NGHМ. The amounts paid to NGHМ for the Mammograms in May program amounted to \$37,149 and \$25,993 for the years ended June 30, 2015 and 2014, respectively.