

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2017 and 2016

Report

of

Examination

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

January 23, 2018

Board of Directors
BRIDGES of Williamson County
Franklin, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of BRIDGES of Williamson County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities 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 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 Bridges of Williamson County as of June 30, 2017 and 2016, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Parsons and Associates

Parsons and Associates

**BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30**

| <u>ASSETS</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|
| <u>Current Assets</u> | | |
| Cash | \$ 228,129 | \$ 298,357 |
| Prepaid expenses | 4,881 | 3,397 |
| Grants receivable | <u>16,087</u> | <u>12,442</u> |
| <u>Total Current Assets</u> | <u>249,097</u> | <u>314,196</u> |
| <u>Property and Equipment</u> (at cost) | | |
| Property and equipment (net of depreciation) | 772,498 | 765,367 |
| <u>Total Assets</u> | <u>\$1,021,595</u> | <u>\$1,079,563</u> |
| <u>LIABILITIES</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payable | \$ 3,702 | \$ |
| Deferred revenue | 10,335 | 6,000 |
| <u>Total Liabilities</u> | <u>\$ 14,037</u> | <u>\$ 6,000</u> |
| <u>NET ASSETS</u> | | |
| Unrestricted Net Assets | 1,007,558 | 1,073,563 |
| <u>Total Liabilities and Net Assets</u> | <u>\$1,021,595</u> | <u>\$1,079,563</u> |

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30**

| | <u>2017</u> | <u>2016</u> |
|---|---------------------------|---------------------------|
| <u>Support and Other Revenues</u> | | |
| Contributions | \$ 387,736 | \$ 460,381 |
| Government grants | 197,739 | 156,562 |
| Fund raiser | 112,959 | 144,811 |
| In-kind contributions | 42,800 | 35,500 |
| Interest income | 102 | 68 |
| Other | 23,975 | 17,862 |
| Released from restrictions | <u>0</u> | <u>0</u> |
| <u>Total Support and Other Revenues</u> | <u>765,311</u> | <u>815,184</u> |
| <u>Expenses</u> | | |
| Program services | 691,052 | 586,716 |
| Management and general | 88,900 | 74,977 |
| Fundraising | <u>51,364</u> | <u>40,524</u> |
| <u>Total Expenses</u> | <u>831,316</u> | <u>702,217</u> |
| <u>Change in Net Assets</u> | (66,005) | 112,967 |
| Net Assets – July 1 | <u>1,073,563</u> | <u>960,596</u> |
| Net Assets – June 30 | <u><u>\$1,007,558</u></u> | <u><u>\$1,073,563</u></u> |

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30**

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|-------------------------|
| <u>Cash flows from operating activities</u> | | |
| Contributions | \$387,736 | \$477,149 |
| Grants and reimbursements | 194,094 | 156,562 |
| Fund raiser | 117,294 | 144,811 |
| Interest income | 102 | 68 |
| Other receipts | 27,677 | 1,095 |
| Cash paid for expenses | (238,881) | (167,994) |
| Cash paid for payroll and benefits | <u>(513,195)</u> | <u>(466,949)</u> |
| Net cash provided by operating activities | <u>(25,173)</u> | <u>144,742</u> |
| <u>Cash flows from investing activities</u> | | |
| Purchase of fixed assets | <u>(45,055)</u> | <u>(23,603)</u> |
| | | |
| Increase (decrease) in cash | (70,228) | 121,139 |
| | | |
| Cash – July 1 | 298,357 | 177,218 |
| | | |
| Cash – June 30 | <u><u>\$228,129</u></u> | <u><u>\$298,357</u></u> |

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

BRIDGES of Williamson County was incorporated October 1998, in accordance with the Tennessee General Corporation Act. Its primary purpose is to serve area women, men and children affected by domestic violence ensuring a safe transition to successful independent community living through education, intervention, and case management.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For Profit Organizations. Under SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Net assets subject to imposed stipulations that they be maintained permanently by the Organization. Generally, these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of thirteen months or less to be cash equivalents.

Income Tax Status

BRIDGES of Williamson County qualifies as a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, therefore, has no provisions for federal income taxes. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a)(1).

Concentration of Contribution

The Organization received approximately 25.8% of its cash contributions from various local governments in 2017 and 19.2% in 2016.

Deferred Revenue

Income from fundraising events is deferred and recognized in the period in which it relates. The Organization allocates certain annual grants on a yearly basis, deferring the revenue for months after June.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 – DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

NOTE 3 – DONATED SUPPLIES AND EQUIPMENT

Donations of supplies and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

NOTE 4 – PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

| | <u>2017</u> | <u>2016</u> |
|---------------------------|-------------------|------------------|
| Building and improvements | \$1,033,452 | \$988,396 |
| Equipment and furniture | 125,549 | 125,549 |
| Accumulated depreciation | <u>(386,503)</u> | <u>(348,578)</u> |
| | <u>\$ 772,498</u> | <u>\$765,367</u> |

NOTE 5 – ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 6 – INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2017 and 2016.

The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the Tennessee Secretary of State. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2013.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – SUBSEQUENT EVENT

The Organization purchased property in June 2017 which will be transferred to another charitable organization.

Donations received for the purchase of the property are not included as income in these financial statements.

**BRIDGES OF WILLIAMSON COUNTY
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30**

| | <u>2017</u> | | | | <u>2016</u> | | | |
|-----------------------------|-----------------------------|-----------------------------------|--------------------------|------------------|-----------------------------|-----------------------------------|--------------------------|------------------|
| | <u>Program Services</u> | <u>Management and General</u> | <u>Fund- raising</u> | <u>Total</u> | <u>Program Services</u> | <u>Management and General</u> | <u>Fund- raising</u> | <u>Total</u> |
| Program services | \$120,131 | \$ | \$ | \$120,131 | \$ 72,819 | \$ | \$ | \$ 72,819 |
| Insurance | 18,077 | 2,465 | | 20,542 | 20,918 | 2,852 | | 23,770 |
| Fund raiser expenses | | | 46,232 | 46,232 | | | 35,855 | 35,855 |
| Occupancy expense | 6,225 | | | 6,225 | 5,351 | | | 5,351 |
| Small equipment purchases | 2,838 | | | 2,838 | 3,020 | | | 3,020 |
| Maintenance and repairs | 6,631 | 991 | | 7,622 | 5,479 | 819 | | 6,298 |
| Office expense and supplies | 5,014 | 557 | | 5,571 | | | | |
| Publications and printing | | 2,223 | | 2,223 | | 2,484 | | 2,484 |
| Mileage, parking, travel | 2,268 | 2,267 | | 4,535 | 2,216 | 2,216 | | 4,432 |
| Telephone, utilities | 31,818 | 7,954 | | 39,772 | 28,871 | 7,218 | | 36,089 |
| Conferences and meetings | 483 | 2,968 | | 3,451 | 369 | 2,328 | | 2,697 |
| Payroll and benefits | 456,744 | 51,319 | 5,132 | 513,195 | 415,585 | 46,695 | 4,669 | 466,949 |
| Professional fees | | 2,350 | | 2,350 | | 2,350 | | 2,350 |
| Dues and subscriptions | 245 | 7,920 | | 8,165 | 131 | 4,789 | | 4,920 |
| Other | 5,270 | 5,269 | | 10,539 | | 834 | | 834 |
| Depreciation | 35,308 | 2,617 | | 37,925 | 31,957 | 2,392 | | 34,349 |
| <u>Total</u> | <u>\$691,052</u> | <u>\$88,900</u> | <u>\$51,364</u> | <u>\$831,316</u> | <u>\$586,716</u> | <u>\$74,977</u> | <u>\$40,524</u> | <u>\$702,217</u> |

See accompanying notes and accountant's report.