

HEARING BRIDGES

FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

JUNE 30, 2015 and 2014

HEARING BRIDGES

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MULLINS CLEMMONS & MAYES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hearing Bridges:

We have audited the accompanying financial statements of Hearing Bridges (a nonprofit organization) as of June 30, 2015 and 2014, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 Hearing Bridges as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Mullins Clemmons & Mayes, PLLC

Brentwood, Tennessee
November 5, 2015

HEARING BRIDGES

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 752,005	\$ 726,991
Promises to give	110,000	110,000
Accounts receivable, net of allowance for uncollectible accounts of \$4,500 in 2015 and \$3,603 in 2014	115,286	97,677
Grants receivable	3,340	9,433
Other current assets	<u>3,348</u>	<u>3,773</u>
Total current assets	983,979	947,874
INVESTMENTS IN MARKETABLE SECURITIES	6,715	8,124
NET PROPERTY AND EQUIPMENT	<u>2,043,842</u>	<u>2,104,036</u>
TOTAL ASSETS	<u>\$ 3,034,536</u>	<u>\$ 3,060,034</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 68,017	\$ 55,183
Total current liabilities	<u>68,017</u>	<u>55,183</u>
NET ASSETS:		
Unrestricted	2,856,277	2,874,496
Temporarily restricted	<u>110,242</u>	<u>130,355</u>
Total net assets	<u>2,966,519</u>	<u>3,004,851</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,034,536</u>	<u>\$ 3,060,034</u>

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

HEARING BRIDGES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions and private grants	\$ 157,720	\$ 136,000	\$ 293,720
Government grants	150,000	-	150,000
Program service fees	1,003,015	-	1,003,015
Special events	46,102	-	46,102
Net investment return	159	-	159
Loss on disposal of assets	(5,694)		(5,694)
Total	<u>1,351,302</u>	<u>136,000</u>	<u>1,487,302</u>
Net assets released from restrictions	<u>156,113</u>	<u>(156,113)</u>	<u>-</u>
Total revenues, gains and other support	<u>1,507,415</u>	<u>(20,113)</u>	<u>1,487,302</u>
EXPENSES:			
Program services	1,216,490	-	1,216,490
Fundraising	155,462	-	155,462
Management and general	153,682	-	153,682
Total expenses	<u>1,525,634</u>	<u>-</u>	<u>1,525,634</u>
CHANGE IN NET ASSETS	(18,219)	(20,113)	(38,332)
NET ASSETS:			
Beginning of year	<u>2,874,496</u>	<u>130,355</u>	<u>3,004,851</u>
End of year	<u>\$ 2,856,277</u>	<u>\$ 110,242</u>	<u>\$ 2,966,519</u>

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

HEARING BRIDGES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions and private grants	\$ 121,975	\$ 164,120	\$ 286,095
Government grants	146,432	-	146,432
Program service fees	985,183	-	985,183
Special events	44,388	-	44,388
Net investment return	1,842	-	1,842
Miscellaneous income	1,776		1,776
Total	<u>1,301,596</u>	<u>164,120</u>	<u>1,465,716</u>
Net assets released from restrictions	<u>135,126</u>	<u>(135,126)</u>	<u>-</u>
Total revenues, gains and other support	<u>1,436,722</u>	<u>28,994</u>	<u>1,465,716</u>
EXPENSES:			
Program services	1,154,803	-	1,154,803
Fundraising	167,209	-	167,209
Management and general	150,881	-	150,881
Total expenses	<u>1,472,893</u>	<u>-</u>	<u>1,472,893</u>
CHANGE IN NET ASSETS	(36,171)	28,994	(7,177)
NET ASSETS:			
Beginning of year	<u>2,910,667</u>	<u>101,361</u>	<u>3,012,028</u>
End of year	<u>\$ 2,874,496</u>	<u>\$ 130,355</u>	<u>\$ 3,004,851</u>

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

HEARING BRIDGES

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (38,332)	\$ (7,177)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	70,698	69,931
Unrealized gains on investments	1,409	(847)
Loss on disposal of assets	5,694	-
Provision for uncollectible accounts and loans receivable	897	769
Net changes in operating assets and liabilities:		
Promises to give and other receivables	(12,413)	(19,352)
Other current assets	425	1,659
Accounts payable and accrued liabilities	12,834	(364,744)
Net cash provided by (used in) operating activities	<u>41,212</u>	<u>(319,761)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	2,245	-
Purchases of property and equipment	<u>(18,443)</u>	<u>(23,747)</u>
Net cash used in investing activities	<u>(16,198)</u>	<u>(23,747)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	25,014	(343,508)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>726,991</u>	<u>1,070,499</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 752,005</u>	<u>\$ 726,991</u>

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

HEARING BRIDGES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Services					Supporting Services		Total Expenses
	Education/ Outreach	Interpreter Referral	Youth	Case Management	Total Program	Fundraising	Management and General	
Salaries and employee benefits	\$ 82,608	\$ 208,050	\$ 101,868	\$ 58,708	\$ 451,234	\$ 96,714	\$ 110,385	\$ 658,333
Telephone	1,107	2,210	1,221	771	5,309	1,437	1,225	7,971
Postage and mailing	123	888	150	77	1,238	3,365	150	4,753
Computer related	1,601	8,863	2,650	3,086	16,200	5,963	2,163	24,326
Conferences and workshops	49	2,470	63	32	2,614	1,091	216	3,921
Books, subscriptions and dues	140	1,564	143	72	1,919	491	1,307	3,717
Insurance	2,136	4,691	2,593	1,328	10,748	2,406	4,240	17,394
Utilities	4,595	1,690	8,322	430	15,037	829	4,749	20,615
Janitorial and grounds	1,507	3,263	1,751	894	7,415	1,669	1,760	10,844
Maintenance and repair	936	1,986	4,480	546	7,948	1,049	1,244	10,241
Equipment rental	484	1,039	554	282	2,359	540	559	3,458
Supplies	1,662	1,537	1,046	583	4,828	2,452	1,397	8,677
Advertising and public relations	530	404	556	108	1,598	6,810	210	8,618
Professional fees - interpreters	696	586,127	150	182	587,155	758	-	587,913
Professional fees - other	60	1,920	-	-	1,980	-	9,000	10,980
Vehicles and travel	649	5,731	3,489	439	10,308	34	160	10,502
Youth activities	-	-	10,177	-	10,177	-	-	10,177
Fundraising expenses	-	-	-	-	-	16,112	-	16,112
Educational awareness	3,000	-	-	-	3,000	-	-	3,000
Staff and board development	224	3,300	283	305	4,112	304	688	5,104
Miscellaneous expense	8,711	7,369	5,010	1,041	22,131	2,361	2,887	27,379
Bad debts	-	901	-	-	901	-	-	901
Total expenses before depreciation	110,818	844,003	144,506	68,884	1,168,211	144,385	142,340	1,454,936
Depreciation	9,679	21,546	11,290	5,764	48,279	11,077	11,342	70,698
Total expenses	<u>\$ 120,497</u>	<u>\$ 865,549</u>	<u>\$ 155,796</u>	<u>\$ 74,648</u>	<u>\$ 1,216,490</u>	<u>\$ 155,462</u>	<u>\$ 153,682</u>	<u>\$ 1,525,634</u>

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

HEARING BRIDGES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services					Supporting Services		Total Expenses
	Education/ Outreach	Interpreter Referral	Youth	Case Management	Total Program	Fundraising	Management and General	
Salaries and employee benefits	\$ 66,667	\$ 200,949	\$ 81,444	\$ 57,992	\$ 407,052	\$ 113,017	\$ 102,981	\$ 623,050
Telephone	966	3,137	1,235	756	6,094	1,652	1,115	8,861
Postage and mailing	233	730	335	184	1,482	1,737	333	3,552
Computer related	1,335	7,912	1,814	1,594	12,655	5,967	1,894	20,516
Conferences and workshops	862	850	92	-	1,804	352	151	2,307
Books, subscriptions and dues	90	1,797	153	66	2,106	536	1,030	3,672
Insurance	2,380	6,366	3,157	1,733	13,636	3,472	3,834	20,942
Utilities	4,474	1,645	8,101	419	14,639	807	4,623	20,069
Janitorial and grounds	1,074	3,446	1,535	810	6,865	1,727	1,456	10,048
Maintenance and repair	395	950	388	216	1,949	420	374	2,743
Property taxes	372	1,236	551	328	2,487	581	581	3,649
Equipment rental	265	730	381	216	1,592	409	369	2,370
Supplies	2,280	3,147	3,095	835	9,357	1,289	1,559	12,205
Advertising and public relations	51	208	99	44	402	7,434	396	8,232
Professional fees - interpreters	844	566,975	-	-	567,819	-	-	567,819
Professional fees - other	7,299	8,089	1,505	-	16,893	-	9,000	25,893
Vehicles and travel	929	6,914	3,894	411	12,148	14	111	12,273
Youth activities	-	-	8,950	-	8,950	-	-	8,950
Fundraising expenses	-	-	-	-	-	13,522	-	13,522
Educational awareness	3,000	-	-	-	3,000	-	-	3,000
Staff and board development	667	3,790	995	584	6,036	1,538	2,070	9,644
Miscellaneous expense	4,600	3,066	2,696	226	10,588	1,263	1,275	13,126
Public relations and open house expenses	-	-	-	-	-	-	6,519	6,519
Total expenses before depreciation	98,783	821,937	120,420	66,414	1,107,554	155,737	139,671	1,402,962
Depreciation	7,849	22,760	10,645	5,995	47,249	11,472	11,210	69,931
Total expenses	<u>\$ 106,632</u>	<u>\$ 844,697</u>	<u>\$ 131,065</u>	<u>\$ 72,409</u>	<u>\$ 1,154,803</u>	<u>\$ 167,209</u>	<u>\$ 150,881</u>	<u>\$ 1,472,893</u>

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

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

NOTE 1 – THE ENTITY

Hearing Bridges ("Bridges") operates to provide interpreters for the deaf and hard of hearing in educational, vocational, medical and legal situations. Bridges also provides the deaf and hard of hearing with information and referral services. Bridges is supported primarily through United Way, private grants, federal and state grants, program service fees, and donor contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Periods

All references to 2015 and 2014 in these financial statements refer to the years ended June 30, 2015 and 2014 unless otherwise noted.

Financial Statement Presentation

Bridges is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted – This class includes net assets that are not subject to any donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – This class includes net assets whose use by Bridges is subject to donor-imposed restrictions that can be fulfilled by actions of Bridges pursuant to those restrictions or that expire by 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. Additionally, any temporarily restricted contributions whose restrictions are met in the same reporting year are shown as unrestricted revenues.

Permanently Restricted – This class includes net assets subject to donor-imposed restrictions that require the assets to be maintained permanently by Bridges. Generally, the donors of these assets permit Bridges to use all or part of the income earned on any related investments for general or specific purposes.

See Note 6 for further details related to net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Bridges considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Bridges may, at times, maintain bank accounts whose balances exceed federally insured limits. However, Bridges has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Marketable Securities

The fair value measurement accounting literature has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. Bridges uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Bridges measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Bridges' investments in marketable securities are reported at fair value, based on Level 1 inputs. Gains and losses, whether realized or unrealized, are included in the statement of activities and changes in net assets.

See Note 3 for further details related to investments.

Contributions, Grants and Promises to Give

Contributions are recognized as revenues when the donor makes a promise to give to Bridges 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-restricted contributions 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.

Bridges also receives grant revenue from government agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

Bridges uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2015 and 2014, management deemed all promises to give to be fully collectible, and no allowances have been recorded.

See Note 4 for further details related to promises to give.

Receivables and Allowance for Uncollectible Accounts

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days old bear interest at 1% per month. Accounts receivable and loans receivable are stated at unpaid balances, less an allowance for uncollectible accounts.

Bridges provides for losses on accounts receivable using the allowance method.

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) **JUNE 30, 2015 AND 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Allowance for Uncollectible Accounts (Continued)

The allowance is estimated by management based upon historical experience, current economic conditions, and projections of trends. Uncollectible accounts receivable and loans receivable are written off when management determines that the related receivable will not be collected.

Property and Equipment

Property and equipment in excess of \$1,000 are recorded at cost at the date of purchase or fair value at the date of gift. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the related assets, which range from five to ten years for furniture and equipment and forty years for the building.

See Note 5 for further details related to property and equipment.

Income Taxes

Bridges is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and is not classified as a private foundation. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Bridges files an annual information return (Form 990) with the U.S. government. At June 30, 2015, Bridges is no longer subject to U.S. tax examinations of these returns by tax authorities for years before June 30, 2012.

Donated Materials and Services

Donated services are recognized, at fair value, if they create or enhance nonfinancial assets or require specialized skills and would be purchased by Bridges if not contributed. Bridges received a substantial amount of donated services from unpaid volunteers which did not meet the criteria for recognition.

Donated assets and rights or benefits (e.g. leases, etc.) are recognized at fair value on the date contributed.

Functional Allocation of Expenses

Expenses, which are directly related to a function, are charged to that function. Expenses that are related to more than one function are allocated to the applicable functions based upon various allocation methods in order to reflect the total cost of each function.

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. 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.

Reclassifications

Certain reclassifications have been made to the 2014 financial statements to make them consistent with the presentation in the 2015 financial statements. These reclassifications did not have a significant impact on the previously reported financial position, changes in net assets, and cash flows of Bridges.

Events Occurring After the Reporting Date

Bridges has evaluated events and transactions that occurred between June 30, 2015 and November 5, 2015, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 – INVESTMENTS IN MARKETABLE SECURITIES

Bridges' investments consist entirely of marketable equity securities, which are recorded at fair value using Level 1 inputs based on the quoted market prices of the shares of common stock held by Bridges. Bridges had no investments that required the use of Level 2 or Level 3 inputs. The fair value and cost of these investments in marketable equity securities were as follows at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Fair value	\$ 6,715	\$ 8,124
Cost	(1,338)	(1,338)
Net unrealized gains	<u>\$ 5,377</u>	<u>\$ 6,786</u>

The net investment return consisted of the following for 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 1,568	\$ 995
Net unrealized gains (losses) during the year	(1,409)	847
Net investment return	<u>\$ 159</u>	<u>\$ 1,842</u>

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015 AND 2014

NOTE 4 – PROMISES TO GIVE

Promises to give consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
For subsequent fiscal year's operations:		
Baptist Healing Trust	\$ 60,000	\$ 60,000
For specific purposes:		
United Way	50,000	50,000
Total promises to give	<u>\$ 110,000</u>	<u>\$ 110,000</u>

The carrying value of these promises to give approximates fair value.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 122,794	\$ 122,794
Building and improvements	1,888,672	1,888,672
Office furniture and equipment	179,861	176,418
Vehicles	25,500	25,385
Total cost	2,216,827	2,213,269
Less accumulated depreciation	(172,985)	(109,233)
Property and equipment, net	<u>\$ 2,043,842</u>	<u>\$ 2,104,036</u>

NOTE 6 – NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
For subsequent fiscal year's operations:		
Baptist Healing Trust	\$ 60,000	\$ 60,000
For specific purposes:		
Youth, case management and wellness	50,242	59,956
Van	-	5,000
Scholarships	-	330
Exercise equipment	-	1,238
Technology	-	3,831
Total temporarily restricted net assets	<u>\$ 110,242</u>	<u>\$ 130,355</u>

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015 AND 2014

NOTE 6 – NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restrictions or by the passage of time restrictions during 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Passage of time restrictions:		
Baptist Healing Trust	\$ 60,000	\$ 45,900
Satisfaction of specific purposes:		
Youth, case management and wellness	59,956	58,028
Van	5,000	-
Scholarships	1,330	2,000
Literacy	24,758	20,995
Exercise equipment	1,238	7,714
Technology	3,831	489
Total net assets released from restrictions	<u>\$ 156,113</u>	<u>\$ 135,126</u>

NOTE 7 – EMPLOYEE BENEFIT PLANS

Bridges maintains a 401(k) retirement benefit plan. Employees are eligible to participate in the 401(k) plan after completing one year of service and attaining age twenty-one. Bridges matches employee contributions to the plan for all eligible employees in an amount equal to the lesser of 100% of salary reduction contributions deferred during the plan year or 3% of compensation.

Bridges also maintains a defined contribution employee pension plan. That plan was frozen effective December 31, 2008, and all contributions ceased as of that date.

The total expenses related to these plans were \$9,076 and \$11,285 for 2015 and 2014, respectively.

NOTE 8 – COMMITMENTS

Grant expenditures are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements to the grantors would not be significant. Accordingly, no provision has been made for potential reimbursements.

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Bridges to concentrations of credit risk principally consist of promises to give, accounts receivable, and grants receivable. At June 30, 2015 and 2014, three entities comprised the entire balance of promises to give and grants receivable. These same entities accounted for approximately \$260,000 and \$256,000 of contributions and grants recognized by Bridges during 2015 and 2014, respectively.

HEARING BRIDGES

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015 AND 2014

NOTE 9 – CONCENTRATIONS OF CREDIT RISK (CONTINUED)

During 2014 there were three different entities whose separate program service fees accounted for at least 10% of total program service fees. In the aggregate, these three entities accounted for approximately 44% of program service fees. During 2015, there were no such entities whose separate program service fees accounted for at least 10% of total program service fees.