ARC OF WILLIAMSON COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

ARC OF WILLIAMSON COUNTY, INC.

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FINANCIAL SECTION

JOHN R. POOLE, CPA
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Independent Auditor's Report

To the Board of Directors of
ARC of Williamson County, Inc.
Franklin, Tennessee

Report on the Financial Statements
I have audited the accompanying financial statements of ARC of Williamson County, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, 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
My responsibility is to express opinions on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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, I 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.

Opinion
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARC of Williamson County, Inc. as of June 30, 2019, 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.

John R Poole, CPA

September 15, 2019

FINANCIAL STATEMENTS

ARC of WILLIAMSON COUNTY, INC.

Statement of Financial Position

June 30, 2019

Assets

Current assets:		
Cash	$	40,196
Accounts receivable		39,319
Unconditional promises receivable		23,000
Total current assets		102,515
Property and equipment at cost:		
Office equipment		7,517
Less: accumulated depreciation		(7,517)
Net property and equipment		0
Total assets	$	102,515

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$	15,065
Total current liabilities		15,065
Net assets:		
Without donor restrictions		87,450
Total net assets		87,450
Total liabilities and net assets	$	102,515

ARC of WILLIAMSON COUNTY, INC.

Statement of Activities

For the year ended June 30, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	
Revenue and Other support:	
State Grant	
Family Support Program	$ 204,987
ISC	132,209
Contributions	51,518
United Way	461
County and City appropriations	6,044
Special events, less expenses	21,533
Interest	8
Miscellaneous	1,433
Net assets released from restrictions:	
United Way funding for the year 2018-2019	23,000
Total public support and revenues	441,193
Expenses:	
Program services	$ 438,258
Management and general	8,877
Total expenses	447,135
Increase (decrease) in net assets without donor restrictions	(5,942)
Beginning of year net assets	93,392
End of year net assets	$ 87,450

The accompanying notes are an integral part of these statements.

ARC of WILLIAMSON COUNTY, INC.

Statement of Functional Expenses

For the year ended June 30, 2019

			Supporting Services	
		Program Services	Management and General	Total Expenses
Salaries	$	149,558	0	149,558
Employee benefits		1,638	0	1,638
Payroll taxes		11,411	0	11,411
Grants and subsidies		183,858	0	183,858
Conferences		0	1,661	1,661
Dues		4,743	0	4,743
Telephone		4,651	30	4,681
Professional services		34,209	1,600	35,809
Office expense		6,220	691	6,911
Supplies		12,303	1,973	14,276
Training and travel		7,448	0	7,448
Rent		8,320	0	8,320
Interest		0	790	790
Photovoice		13,432	0	13,432
Insurance		0	1,882	1,882
Miscellaneous		467	250	717
Total Expenses	$	438,258	8,877	447,135

The accompanying notes are an integral part of these statements.

ARC of WILLIAMSON COUNTY, INC.

Statement of Cash Flows

For the year ended June 30, 2019

Cash flows from operating activities:		
Support and revenue received	$	431,338
Cash paid for:		
Salaries and related expenses		(162,607)
Program and support services		(275,511)
Net cash provided by operating activities		(6,780)
Net change in cash		(6,780)
Cash and cash equivalents at beginning of year		46,976
Cash and cash equivalents at end of year	$	40,196

Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities

Increase (decrease) in net assets	$	(5,942)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Changes in assets (increase) decrease:		
Accounts receivable and conditional promises		(9,855)
Changes in liabilities increase (decrease):		
Accounts payable		13,432
Funds held for others		(4,415)
Net cash provided by operating activities	$	(6,780)

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
ARC of Williamson County, Inc. is a non-profit organization in Williamson County, Tennessee. The Organization's mission is to empower people with intellectual and developmental disabilities and their families to actively participate in their community throughout their lifetime. The Organization provides advocacy, research and education to individuals with intellectual and developmental disabilities and their families.

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, Not-for-Profit Organizations.

Basis of Presentation
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SAS). The Organization is required to report information regarding its financial position and activities according to two classes of net assets net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows. There were no donor restricted net assets at yearend.

Contributions
Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions.

Promises to Give
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. These amounts are reported as an increase in net assets without restrictions. Contributions that are restricted by the donor are reported as increases in donor restricted net assets. If the restrictions expire in the fiscal year in which the contributions are recognized the amounts are transferred to net assets with donor restrictions. There were no donor restricted promises to give at yearend. At June 30, 2019 the organization has recorded $23,000 of promises to give from the United Way of Williamson County, a non-donor restricted amount.

Notes to the Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services
ARC of Williamson County, Inc. receives many hours of donated time from various citizens. It is impractical to estimate a value for these services, as such no such value has been placed on these services in the Organization's financial statements.

Depreciation
Depreciation is provided for over the estimated useful lives of the assets. Assets are depreciated using the straight-line method of depreciation. There was no depreciation in the current year.

Functional Allocation of Expenses
The costs of providing the ARC's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs may have been allocated among the programs and supporting services benefited.

Income Taxes
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates
The preparation of financial statements in conformity with 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.

Economic Dependence
Approximately 76% of the organization's revenues for the year ended June 30, 2019, was from contracts from various State of Tennessee departments. The State of Tennessee may, at its discretion, request reimbursement of expenses or return of funds, or both as a result of non-compliance by the Organization with the terms of the programs.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment activity is noted below:

	Balance 6/30/18	Addition	Retirement	Balance 6/30/19
Furniture and equipment	7,517	-	-	7,517
Total	7,517			7,517
Less: Accumulated depreciation	(7517)			(7,517)
Net property and equipment	-			-

3. STATE CONTRACTS AND GRANTS:

Amounts received from the State of Tennessee are subject to audit and adjustment by the State of Tennessee. Any disallowed claims including amounts already collected, could become a liability of the Organization.

4. LINE OF CREDIT

The Organization has a $30,000 line of credit. There was no outstanding balance at yearend.