

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2015 and 2014

Report

of

Examination

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

January 15, 2016

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, 2015 and 2014, 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, 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.

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>2015</u>	<u>2014</u>
<u>Current Assets</u>		
Cash	\$177,219	\$147,315
Prepaid expenses	4,376	3,685
Grants receivable	<u>8,887</u>	<u>8,887</u>
<u>Total Current Assets</u>	<u>190,482</u>	<u>159,887</u>
<u>Property and Equipment</u> (at cost)		
Property and equipment (net of depreciation)	776,114	783,571
<u>Total Assets</u>	<u>\$966,596</u>	<u>\$943,458</u>
 <u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Deferred revenue	\$ 6,000	15,679
<u>Total Liabilities</u>	<u>6,000</u>	<u>15,679</u>
 <u>NET ASSETS</u>		
Unrestricted Net Assets	960,596	917,779
Temporary Restricted Net Assets	<u>0</u>	<u>10,000</u>
<u>Total Net Assets</u>	<u>960,596</u>	<u>927,779</u>
<u>Total Liabilities and Net Assets</u>	<u>\$966,596</u>	<u>\$943,458</u>

See accompanying notes and accountant's report.

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

	<u>2015</u>	Temporarily <u>Restricted</u>	<u>2014</u>
	<u>Unrestricted</u>		<u>Total</u>
<u>Support and Other Revenues</u>			
Contributions	\$442,799	\$	\$ 314,179
Government grants	147,797		129,859
Fund raiser	101,920		105,265
In-kind contributions	25,817		23,917
Interest income	51		112
Other	6,960		583
Released from restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>0</u>
<u>Total Support and Other Revenues</u>	<u>735,344</u>	<u>(10,000)</u>	<u>573,915</u>
<u>Expenses</u>			
Program services	576,835		540,487
Management and general	84,173		74,701
Fundraising	<u>31,519</u>	<u>—</u>	<u>32,661</u>
<u>Total Expenses</u>	<u>692,527</u>	<u>— 0</u>	<u>647,849</u>
<u>Change in Net Assets</u>	42,817	(10,000)	(73,934)
Net Assets – July 1	<u>917,779</u>	<u>10,000</u>	<u>1,001,713</u>
Net Assets – June 30	<u><u>\$960,596</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 927,779</u></u>

See accompanying notes and accountant's report.

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

	<u>2015</u>	<u>2014</u>
<u>Cash flows from operating activities</u>		
Contributions	\$447,799	\$314,178
Grants and reimbursements	147,797	129,808
Fund raiser	91,467	110,944
Interest income	51	112
Other receipts	1,960	583
Cash paid for expenses	(174,950)	(163,552)
Cash paid for payroll and benefits	<u>(456,221)</u>	<u>(424,105)</u>
Net cash provided by operating activities	<u>57,903</u>	<u>(32,032)</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(28,000)</u>	<u>(2,411)</u>
<u>Cash flows from financing activities</u>		
Loan payments	<u>0</u>	<u>(6,275)</u>
Increase (decrease) in cash	29,903	(40,718)
Cash – July 1	147,315	188,033
Cash – June 30	<u>\$177,218</u>	<u>\$147,315</u>

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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. The Organization has temporarily restricted net assets of \$0 at June 30, 2015 and \$10,000 at June 30, 2014.

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, 2015 and 2014.

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 20% of its cash contributions from various local governments in 2015 and 26% in 2014.

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, 2015 AND 2014**

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>2015</u>	<u>2014</u>
Building and improvements	\$975,518	\$975,518
Equipment and furniture	114,826	86,825
Accumulated depreciation	<u>(314,229)</u>	<u>(278,772)</u>
	<u>\$776,115</u>	<u>\$783,571</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, 2015 and 2014.

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 2011.

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

	2015				2014			
	<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	\$ 64,725	\$	\$	\$ 64,725	\$ 59,568	\$	\$	\$ 59,568
Insurance	18,479	2,520		20,999	17,801	2,517		20,318
Fund raiser expenses			26,957	26,957			28,420	28,420
Occupancy expense	6,370			6,370	4,520			4,520
Interest				0	412			412
Small equipment purchases	3,115			3,115	1,753			1,753
Maintenance and repairs	7,131	1,066		8,197	9,865	1,538		11,403
Office expense and supplies	3,560	1,754		5,314	3,513	1,730		5,243
Publications and printing		3,047		3,047		3,637		3,637
Mileage, parking, travel	3,418	3,418		6,836	2,466	2,467		4,933
Telephone, utilities	29,956	7,489		37,445	31,436	7,859		39,295
Conferences and meetings	845	5,330		6,175	730	4,605		5,335
Payroll and benefits	406,037	45,622	4,562	456,221	377,453	42,411	4,241	424,105
Professional fees		2,250		2,250		2,245		2,245
Dues and subscriptions	211	7,717		7,928	800	2,202		3,002
Other		1,491		1,491		1,232		1,232
Depreciation	32,988	2,469		35,457	30,170	2,258		32,428
<u>Total</u>	<u>\$576,835</u>	<u>\$84,173</u>	<u>\$31,519</u>	<u>\$692,527</u>	<u>\$540,487</u>	<u>\$74,701</u>	<u>\$32,661</u>	<u>\$647,849</u>

See accompanying notes and accountant's report.