

BRIDGES OF WILLIAMSON COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2021

***JOE OSTERFELD, CPA
CERTIFIED PUBLIC ACCOUNTANT
214 WEST FIFTH STREET ~ SUITE B
PO BOX 807
COLUMBIA, TN 38402-0807***

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Financial Position	2
Statement of Activities	3
Statements of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Joe Osterfeld, CPA

Certified Public Accountant

214 West Fifth Street ~ Suite B ~ PO Box 807 ~ Columbia, TN 38402-0807

Telephone: 931-388-7144 ~ E-mail: joeosterfeldcpa@att.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
BRIDGES of Williamson County
Franklin, Tennessee

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, 2021, 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

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, 2021, 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.

Joe Osterfeld, CPA
Columbia, Tennessee
January 15, 2022

BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

<u>ASSETS</u>	
Cash	\$ 713,421
Grants receivable	121,022
Prepaid Expenses	<u>5,929</u>
Total current assets	840,372
Property and Equipment (at cost)	
Property and equipment, net of depreciation	608,186
Total assets	<u><u>\$ 1,448,558</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Accounts payable	<u>\$ 2,559</u>
Total current liabilities	<u>2,559</u>
Net assets without donor restrictions	1,445,999
Net assets with donor restrictions	<u>-</u>
Total net assets	<u>1,445,999</u>
Total liabilities and net assets	<u><u>\$ 1,448,558</u></u>

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

BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<u>Support and Other Revenues</u>			
Contributions	\$ 737,299	\$ 88,500	\$ 825,799
Government grants	-	603,108	603,108
Fundraisers	106,519		106,519
In-kind contributions	55,637		55,637
Interest income	652		652
Other	4,044		4,044
Program fees	69,253		69,253
Net assets released from restrictions	691,608	(691,608)	0
Total public support and revenue	<u>1,665,012</u>	<u>-</u>	<u>1,665,012</u>
 <u>EXPENSES</u>			
Program services	993,729	-	993,729
Management and general	111,404		111,404
Fundraising	23,784	-	23,784
Total expenses	<u>1,128,917</u>	<u>-</u>	<u>1,128,917</u>
 Increase (decrease) in net assets	536,095	-	536,095
 Net assets, beginning - restated	<u>909,904</u>	<u>-</u>	<u>909,904</u>
 Net assets, end of year	<u><u>\$ 1,445,999</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,445,999</u></u>

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

BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages	\$ 500,331	\$ 74,762	\$ -	\$ 575,093
Payroll tax expense	34,722	5,188	-	39,910
Employee benefits	40,671	6,077	-	46,748
Conferences and meetings	-	1,481		1,481
Depreciation	45,254	-		45,254
Dues and subscriptions	10,320	-		10,320
Fundraiser expenses	-	-	23,784	23,784
Insurance	-	21,476	-	21,476
Maintenance and repairs	31,432	-	-	31,432
Occupancy expenses	19,951	-	-	19,951
Office expense and supplies	12,074	-	-	12,074
Other	8,639	2,419		11,058
Pet expense	8,985	-	-	8,985
Professional fees	48,351	-	-	48,351
Program services	190,739	-	-	190,739
Publications and printing	1,525	-		1,525
Telephone and utilities	37,106	-		37,106
Travel, mileage and parking	3,630	-		3,630
Total expenses	<u>\$ 993,729</u>	<u>\$ 111,404</u>	<u>\$ 23,784</u>	<u>\$ 1,128,917</u>

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

BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 536,095
Adjustments to reconcile increase in net assets to net cash provided (used) by operations:	
Forgiveness of Payroll Protection Program loan	(88,500)
Depreciation	45,254
(Increase) decrease in:	
Accounts receivable	(106,426)
Prepaid expenses	(1,536)
Increase (decrease) in:	
Accounts payable	8
Deferred revenue	(155,466)
Total from operations	<u>229,429</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of fixed assets	<u>(24,625)</u>
Total from investing activities	<u>(24,625)</u>

CASH FLOW FROM FINANCING ACTIVITIES:

	<u>0</u>
Increase (decrease) in cash	204,804
Beginning cash balance	<u>508,617</u>
Ending cash balance	<u><u>\$ 713,421</u></u>

The accompanying notes are an integral part of the financial statements

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

BRIDGES of Williamson County (BRIDGES) was incorporated October 1988, 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. Supportive services include management and general expenses not directly identifiable to any program, but indispensable to these activities and to the program's existence. BRIDGES is governed by a board of directors.

Basis of Accounting

The financial statements of BRIDGES have been prepared on the accrual basis of accounting and accordingly reflect all significant accounts receivable, accounts payable, and other liabilities.

Basis of Presentation

Financial statement presentation follows US generally accepted accounting principles which require BRIDGES to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. There were no net assets with donor restrictions at June 30, 2021.

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Accounts Receivable

Accounts receivables are stated at their net realizable value. It is the opinion of management that all accounts receivable at fiscal year-end are collectible.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as all cash on hand and deposited in FDIC insured bank accounts with an original maturity of three months or less.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Donations of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, BRIDGES reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BRIDGES reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Services

BRIDGES records donated services when they create or enhance a non-financial asset or for specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated to their appropriate category of program services or supporting services upon recording vendor payables or direct payment of invoices based upon benefit received. For more general expenses, allocation is based upon natural classifications such as time & effort and square footage utilized.

Fair Values of Financial Instruments

Financial instruments of BRIDGES include cash, short-term trade accounts receivable, and trade accounts payable. Management estimates that the fair value of all financial instruments at fiscal year-end do not differ materially from the carrying values of the financial instruments recorded in the accompanying balance sheet.

Planned Major Maintenance Activities

Costs or fair market value for donated items and services for planned major maintenance in excess of \$5,000 are treated as additions to property and equipment and depreciated over their estimated useful lives using the straight-line method. During the current fiscal year, there were no planned major maintenance activities.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Income Tax Status

BRIDGES of Williamson County is an organization, which is not considered a private foundation and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. BRIDGES of Williamson County's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2019, 2020 and 2021 are subject to examination by the IRS, generally for 3 years after they were filed. There are no tax examinations currently in process. Management has concluded that BRIDGES has taken no uncertain tax positions as of June 30, 2021. Therefore, no provision for income taxes has been included in the BRIDGES's financial statements.

Promises to Give

Unconditional promises to give are recognized as revenue or a gain in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of assets and is reflected as an expense in the Statement of Functional Expenses.

Revenue and Support – With and Without Donor Restrictions

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of 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.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND CREDIT RISK

All cash and certificate of deposits of BRIDGES are deposited in FDIC insured banks. BRIDGES had deposits at one bank exceeding the \$250,000 FDIC deposit insurance coverage by \$10,363 at June 30, 2021.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

BRIDGES is subject to claims and lawsuits, which arise, primarily in the ordinary course of business. BRIDGES does not anticipate any material losses with respect to such existing or pending claims and lawsuits at fiscal year-end.

NOTE 4 – PROPERTY AND EQUIPMENT

Acquisitions of property and equipment more than \$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. Property and equipment at June 30, 2021, are as follows:

Land	\$ 100,000
Building and improvements	945,926
Equipment and furniture	164,078
Accumulated depreciation	(543,818)
	<u>\$ 666,186</u>

NOTE 5 - PAYROLL PROTECTION PROGRAM LOAN

Due to the Covid-19 outbreak, the Federal government passed the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) that included the Small Business Administration (SBA) Paycheck Protection Program (PPP).

BRIDGES applied for and received on April 28, 2020, an \$88,500 loan from the PPP. Interest will accrue at a rate of 1.00% per year, beginning on April 28, 2020. The SBA forgave the principal and accrued interest for this loan on November 21, 2020. The loan forgiveness is reported as a contribution with donor restrictions in the Statement of Activities.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - FINANCIAL DEPENDENCE

BRIDGES is substantially funded, 95% by grants from federal, state, and local government agencies. A significant reduction in the level of this support, if this were to occur, may have an effect in BRIDGES's programs and activities. In addition, the grants prescribe allowable expenditure guidelines with which BRIDGES must comply. The grants are received prospectively, subject to subsequent verification of the incurring of allowable expenditures or provision of qualifying services.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects BRIDGES's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end	\$ 840,372
Less: Those unavailable for general expenditures within one year, due to:	
Donor restrictions or board designations	<u> 0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 840,372</u>

NOTE 8 – COVID 19 OUTBREAK

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the Covid-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on BRIDGES's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the Covid-19 out-break and the global responses to curb its spread, BRIDGES is not able to fully estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2022.

BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – NET POSITION RE-STATED

During the year ended June 30, 2021, management discovered that land purchased in 2017 that was donated to the Door Step Project had been recorded as a fixed asset on BRIDGES books. To correct this error, the beginning property & equipment and beginning net position have been re-stated by \$58,000.

Property & Equipment – beginning	\$ 666,186
Less: land donated to Door Step Project	<u>(58,000)</u>
Property & Equipment – beginning re-stated	<u>\$ 608,186</u>
Net Assets Without Donor Restrictions – beginning	\$ 967,904
Less: land donated to Door Step Project	<u>(58,000)</u>
Net Assets Without Donor Restrictions – re-stated	<u>\$ 909,904</u>

NOTE 10 - DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through January 15, 2022, the date which the financial statements were available to be issued. No other material subsequent events have occurred that need to be disclosed.