

Bristol Crisis Center, Inc.  
Audited Financial Statements  
June 30, 2015

Prepared by:  
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## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-8
Statement of Functional Expenses	9



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#### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bristol Crisis Center, Inc.

I have audited the accompanying financial statements of Bristol Crisis Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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 an opinion on these financial statements based on my audit. I conducted my 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 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, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bristol Crisis Center, Inc. as of June 30, 2015, 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.

#### Report on Summarized Comparative Information

I have previously audited the Bristol Crisis Center, Inc.'s 2014 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated November 25, 2014. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

David E. Warren Certified Public Accountant, P.C.

Bristol, Tennessee

October 19, 2015

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Statement of Financial Position  
June 30, 2015  
(With summarized information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
<u>Current Assets</u>		
Cash & cash equivalents (Note 3)	\$ 61,739	\$ 29,664
Grant receivable (Note 4)	7,067	46,648
Prepaid expenses	409	326
Total current assets	69,215	76,638
<u>Property &amp; equipment</u>		
Property & equipment, net (Note 5)	10,158	13,785
Total Assets	<u>\$ 79,373</u>	<u>\$ 90,423</u>
<b>Liabilities &amp; Net Assets:</b>		
<u>Current liabilities</u>		
Accounts payable	\$ 1,984	\$ 1,825
Accrued expenses	6,916	19,341
Deferred revenue (Note 6)	38,000	0
Capital lease (Note 7)	329	1,199
Note payable-current (Note 8)	7,376	6,841
Total current liabilities	54,605	29,206
<u>Non-current liabilities</u>		
Capital lease	0	328
Note payable-non-current (Note 8)	20,907	28,247
Total non-current liabilities	20,907	28,575
Total liabilities	75,512	57,781
<u>Net assets:</u>		
Unrestricted	3,861	32,642
Total liabilities & net assets	<u>\$ 79,373</u>	<u>\$ 90,423</u>

The footnotes are an integral part of the financial statements.

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Statement of Activities  
Year Ended June 30, 2015  
(With summarized information for the year ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
<b>Unrestricted activities:</b>		
Contributions	\$ 15,451	\$ 11,375
Grants	118,142	173,801
Program service fees	2,114	0
In-kind donations	14,400	14,550
Other income	<u>942</u>	<u>207</u>
Total support	151,049	199,933
 <b>Expenses:</b>		
Program	132,247	114,894
Supporting services	44,345	74,571
Fundraising	<u>3,238</u>	<u>0</u>
Total expenses	179,830	189,465
 (Decrease) Increase in unrestricted net assets	(28,781)	10,468
Net assets, beginning of year	<u>32,642</u>	<u>22,174</u>
Net assets, end of year	<u>\$ 3,861</u>	<u>\$ 32,642</u>

The footnotes are an integral part of the financial statements.

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
**Statement of Cash Flows**  
Year Ended June 30, 2015  
(With summarized information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (28,781)	\$ 10,468
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,627	3,601
(Increase) decrease in:		
Accounts receivable	39,581	(14,531)
Prepaid expenses	(83)	(326)
Increase (decrease) in:		
Accounts payable	159	1,176
Accrued interest	125	0
Deferred revenue	38,000	0
Other accrued liabilities	<u>(13,748)</u>	<u>10,590</u>
Net cash provided (used) by operating activities	38,880	10,978
<b>Cash flows from investing activities:</b>		
Purchases of property & equipment	<u>0</u>	<u>(2,699)</u>
Net cash used by investing activities	0	(2,699)
<b>Cash flows from financing activities:</b>		
Repayments of debt borrowings	<u>(6,805)</u>	<u>(7,016)</u>
Net cash provided (used) by financing activities	(6,805)	(6,943)
Net increase (decrease) in cash & cash equivalents	32,075	1,263
Cash & cash equivalents, beginning of year	<u>29,664</u>	<u>28,401</u>
Cash & cash equivalents, end of year	<u>\$ 61,739</u>	<u>\$ 29,664</u>

Interest expense for the year ended June 30, 2015 was \$2,351.

The footnotes are an integral part of the financial statements.

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Notes to Financial Statements  
Year Ended June 30, 2015

Note 1: Nature of Organization:

Bristol Crisis Center, Inc. (the Organization) is located in Bristol, VA and provides sexual abuse and assault, elder advocacy and suicide prevention counseling services. The Organization operates in the Southwest Virginia and Northeast Tennessee region.

Note 2: Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America (GAAP) and are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Financial Statements of Not-for-Profit Organizations. Under these recommendations the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent those assets that the organization may use at its discretion.

Temporarily restricted net assets result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets consist of contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments with an original maturity of three months or less.

Donated Services & Building

The Organization recognizes as Gift In-kind revenue and as rent expense at the estimated fair market value of the building provided to the Organization. The Organization recognized \$14,400 in rent expense for the year ended June 30, 2015 for the donated building. The Organization pays the City of Bristol, VA \$1 per year in rent.

Grants and Allocations Receivable

Grants receivable consists of amounts that are expected to be collected in the following year and classified as conditional promises to the extent that conditions have been met but reimbursement from the grantor has not yet been received. The amounts recognized on the financial statements are the amounts actually received from the grantors. There was no allowance against grants receivable at June 30, 2015.

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Notes to Financial Statements  
Year Ended June 30, 2015

Note 2: Summary of Significant Accounting Policies (continued)

Contributions

All contributions are recognized as revenue when received or unconditionally promised to the Organization. The Organization classifies gifts of cash and other assets as temporarily restricted or permanently restricted support if received with donor stipulations that limit the use of the contributions. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as assets released from restrictions.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the time allocation of wages between program and supporting services, the estimated fair market value of services provided by volunteers and the fair rental value of the building. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities are 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. Fundraising appeals are allocated based on their specific use as direct fundraising appeals.

Income Taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code except for unrelated business income and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The organization had no unrelated business income for the year ended June 30, 2015. The organization's income tax filings are generally open and subject to examination for three years after they are filed. However, the organization is currently not under audit or examination nor has the organization been contacted by this jurisdiction. The organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Property and Equipment

All acquisitions of property and equipment with an estimated useful life of more than one year in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed primarily using the Modified Accelerated Cost Recovery System (MACRS) allowed by the Internal Revenue Service. This is a method other than straight-line (a generally accepted accounting principle) but as of the year ended June 30, 2015 does not differ materially from the straight line method as a whole. The estimated useful lives are 5-7 years for furniture and fixtures, 3-5 years for computers, 5-7 years for office and activity equipment and 15-39 years for leasehold improvements.



Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Notes to Financial Statements  
Year Ended June 30, 2015

Note 2: Summary of Significant Accounting Policies (continued)

Compensated absences

The Organization's employees are entitled to paid vacation based upon length of service and other factors, and may carry over a limited amount of vacation benefits. The Organization records a liability for these benefits that employees have earned but not yet taken. At June 30, 2015, accrued compensated absences of \$1,953 are included in accrued expenses on the statement of financial position.

Note 3: Cash

Cash at June 30, 2015 consists of the following:

Regions Bank Checking	<u>\$ 61,739</u>
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Regions Bank checking is a non-interest bearing account and is available upon demand by the organization. The account is FDIC insured up to \$250,000.

Note 4: Grants receivable

Grants receivable at June 30, 2015 was \$ 7,067. The entire balance of Grants receivable is expected to be collected within the next year is valued at their cash balance and there is no allowance for doubtful accounts.

Grant

Dept. of Criminal Justice	15-E2328SP14	\$ 5,500
Cumberland Mountain	Region 3 West	<u>1,567</u>
Total		<u>\$ 7,067</u>

Note 5: Property and equipment

Property and equipment consists of the following as of June 30, 2015:

Furniture\Fixtures	\$4,155
Computers	3,187
Office Equipment	72,086
Leasehold Improvements	<u>31,074</u>
Total	\$110,502
Less: accumulated depreciation	<u>(100,344)</u>
Net fixed assets	<u>\$ 10,158</u>

Depreciation expense for the year ended June 30, 2015 was \$3,627.

Note 6: Deferred revenue

The organization received \$38,000 in funding from the Southwest Virginia Regional Jail Authority for services to be rendered during the fiscal year 2015-16 prior to June 30, 2015.

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Notes to Financial Statements  
Year Ended June 30, 2015

Note 7: Capital lease payable

The Organization leases their telephone system under a non-cancelable lease that is classified as a capital lease that expires on September 19, 2016. The lease contains a bargain purchase option of \$1 at the end of the lease term and carries an effective interest rate of 14.68%. The telephone system under capital lease as of June 30, 2015 equals \$329. The system is recorded at a cost of \$4,098 with accumulated depreciation of \$2,578 at June 30, 2015.

The future minimum lease payments as of June 30, 2015 under the capital lease are as follows:

	<u>Year ending June 30</u>
2016	<u>\$ 329</u>
Total minimum lease payments	337
Less: amount representing interest	<u>8</u>
Present value of minimum lease payments	<u>\$ 329</u>

Note 8: Note payable

The Organization has an outstanding loan with Regions Bank as of June 30, 2015. The loan was a conversion of the credit line balance into an installment loan. The loan is payable monthly in the amount of \$772.69 principal and interest and any outstanding principal and interest matures on September 16, 2016. The interest rate on the loan is 7.6% and interest expense for the year ended June 30, 2015 was \$2,351. The loan is unsecured.

Five year maturity schedule year ending:

Note description	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2018</u>	<u>12/31/2019</u>	<u>Thereafter</u>
Regions Bank	\$ 7,376	\$ 20,907	\$ 0	\$ 0	\$ 0	\$ 0

Note 9: Concentrations

The Organization receives a substantial amount of its revenue from a single grant source. During the year ended June 30, 2015 the Organization received grants from the Commonwealth of Virginia in the amounts of \$118,442. This represents 79% of the total revenues for the year then ended.

Note 10: Subsequent events

The organization evaluated its June 30, 2015 financial statements for subsequent events through October 19, 2015, the date the financial statements were available to be issued. The organization is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

Note 11: Comparative financial statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the current year's financial statement presentation.

Note 12: Date of Managements review

Date of Management's Review: October 19, 2015 which is the date the financial statements were available to be Issued.

Bristol Crisis Center, Inc.  
Supplementary Information  
June 30, 2015

Bristol Crisis Center, Inc.  
(a nonprofit organization)  
Statement of Functional Expenses  
Year Ended June 30, 2015  
(With summarized information for the year ended June 30, 2014)

	<u>Supporting Services</u>				
	Program	Management	Fund-	2015	2014
	Services	& General	Raising	Total	Total
<b>Compensation &amp; related expenses:</b>					
Compensation	\$ 81,830	\$ 7,906	\$0	\$ 89,736	\$123,866
Payroll taxes	9,859	605	0	10,464	10,849
Employee benefits	0	0	0	0	835
Total compensation and					
related expenses	91,689	8,511	0	100,200	135,550
Rent	14,400	0	0	14,400	14,400
Professional fees	0	20,162	0	20,162	2,313
Depreciation	0	3,627	0	3,627	3,601
Insurance	2,696	3,013	0	5,709	4,566
Interest	0	2,351	0	2,351	2,205
Utilities	5,877	3,027	0	8,904	6,440
Fundraising	0	0	3,238	3,238	0
Telephone	3,302	0	0	3,302	4,551
Equipment expenses	0	1,303	0	1,303	948
Operating supplies	4,793	2,351	0	7,144	4,476
Other expenses	2,057	0	0	2,057	5,026
Travel, training & conventions	7,433	0	0	7,433	5,389
Total expenses	<u>\$ 132,247</u>	<u>\$ 44,345</u>	<u>\$ 3,238</u>	<u>\$ 179,830</u>	<u>\$ 189,465</u>

The footnotes are an integral part of the financial statements.