BRIGHT HORIZONS RESOURCES FOR SURVIVORS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT

FINANCIAL STATEMENTS

For the Years Ended June 30, 2016, 2015 and 2014

BRIGHT HORIZONS RESOURCES FOR SURVIVORS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT

TABLE OF CONTENTS **Page**

Independent Auditors' Report

Financial Statements

Statement of Activities--Modified Cash Basis 2
Statement of Assets, Liabilities and Net Assets--Modified Cash Basis 3
Notes to Financial Statements 4

Supplementary Information

Schedule of Functional Expenses--Modified Cash Basis 9

CHRISTENSEN · BROZEK · FALTYS
WEALTH MANAGEMENT · CPAs · BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
Norfolk, NE

We have audited the accompanying financial statements of Bright Horizons Resources for Survivors of Domestic Violence and Sexual Assault (a nonprofit organization), which comprise the statements of assets, liabilities and net assets--modified cash basis as of June 30, 2016, 2015 and 2014, and the related statements of activities--modified cash basis 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' 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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 assets, liabilities, and net assets of Bright Horizons Resources for Survivors of Domestic Violence and Sexual Assault as of June 30, 2016, 2015 and 2014, and the related statements of activities for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses--modified cash basis 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CBF PC

CHRISTENSEN BROZEK FALTYS PC
Certified Public Accountants

September 9, 2016

Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS
For the Years Ended June 30, 2016, 2015 and 2014

	2016	2015	2014
Unrestricted Net Assets			
Support:			
Grants	$ 34,731	$ 54,237	$ 33,417
Donations and fundraisers	51,891	50,854	44,132
Interest income	5	5	4
Insurance reimbursement	-	11,159	-
Total unrestricted support	86,627	116,255	77,553
Net assets released from restrictions	538,772	474,967	419,435
Net unrestricted support	625,399	591,222	496,988
Disbursements:			
Program expenses	608,147	516,376	401,809
Management and general	60,146	54,640	47,257
Fundraising	9,862	9,862	8,653
Total unrestricted disbursements	678,155	580,878	457,719
Change in unrestricted net assets	(52,756)	10,344	39,269
Temporarily Restricted Net Assets			
Grants	533,555	477,053	420,431
Donations	5,065	-	2,262
Restrictions satisfied by payment	(538,772)	(474,967)	(419,435)
Change in temp. restricted net assets	(152)	2,086	3,258
Net change in net assets	(52,908)	12,430	42,527
Net assets, beginning of year	183,086	170,656	128,129
Net Assets, end of year	$ 130,178	$ 183,086	$ 170,656

See accompanying notes to the financial statements.

Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS--
MODIFIED CASH BASIS
June 30, 2016, 2015 and 2014

	2016	2015	2014
ASSETS			
Current Assets			
Cash and cash equivalents	$ 130,168	$ 183,098	$ 170,732
Total Assets	$ 130,168	$ 183,098	$ 170,732
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payroll liabilities	$ (10)	$ 12	$ 76
Total Current Liabilities	(10)	12	76
Net Assets			
Net assets, unrestricted	123,353	176,109	165,764
Net assets, temporarily restricted	6,825	6,977	4,892
Total net assets	130,178	183,086	170,656
Total Liabilities and Net Assets	$ 130,168	$ 183,098	$ 170,732

See accompanying notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bright Horizons Resources for Survivors of Domestic Violence and Sexual Assault was established in 1978 as a non-profit organization providing services to victims of domestic violence and sexual assault in Norfolk, Nebraska, and surrounding areas. The types of services offered include shelter, transportation, individual advocacy, criminal justice advocacy, financial assistance, referral and a crisis support line. The Organization operates under a Board of Directors. In August 1992, the Organization changed its legal name from Norfolk Task Force on Domestic Violence to its current name, Bright Horizons Resources for Survivors of Domestic Violence and Sexual Assault. The organization receives the majority of its funding from federal and state grants.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

Fixed Assets

No value has been placed on fixed assets for financial statement purposes. All assets have either been donated or expensed when purchased.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization files required income tax returns in the U.S. federal jurisdiction and various states. With few exceptions, the Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2012. The Organization has concluded no material uncertain tax positions have been taken on any open tax returns. For the current year the Organization believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

Vacation, Sick Pay, and Other Employee Benefit Amounts

The cost of vacation pay, sick pay, and other employee benefits are recorded when disbursed and not accrued. These are not expected to exceed a normal year's accumulation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Estimates

The costs of providing the various programs and supporting services have been summarized on a functional basis in the schedule of functional expenses--modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Noncash Donations

The Organization received donated materials and services from the general public. They received donated materials in the form of used clothing and furniture. No value was given to the materials; therefore, noncash donated materials were not included in the financial statements.

The Organization also received non-professional donated services in the form of volunteer hours. For the years ended June 30, 2016, 2015 and 2014 these non-professional services were valued at $81,441, $92,087 and $77,695, respectively, based on a $9 per hour wage rate. Non-professional donated services are not included in the financial statements in accordance with the modified cash basis of accounting.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2016, 2015 and 2014 was $5,878, $7,179 and $4,423, respectively.

Net Assets

The Organization classifies its net assets into the following categories:

Unrestricted Net Assets - This fund is used to account for all financial resources presently available for use by the Organization. The amount of unrestricted net assets at June 30, 2016, 2015 and 2014 was $123,354, $176,109 and $165,764, respectively.

Temporarily Restricted Net Assets - This fund is used to account for resources presently available for use, but expendable only for purposes specified by the donor. The amount of temporarily restricted net assets at June 30, 2016, 2015 and 2014 was $6,825, $6,978 and $4,893, respectively.

Subsequent Events

In the normal course of preparing the Organization's financial statements, management reviews events that occur after the statement of assets, liabilities and net assets—modified cash basis date (June 30, 2016) for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through September 9, 2016, which is the date the financial statements were available to be issued.

NOTE B – BANK DEPOSITS

At June 30, 2016, the Organization had $137,189 held at three financial institutions. The Federal Deposit Insurance Corporation insures the Organization's cash balances up to $250,000 per bank or institution. At June 30, 2016, there were no uninsured cash balances.

NOTE C – RENTAL AGREEMENTS

In January 2012, the Organization entered into a rental agreement for office space in Norfolk with Ronald L. Behnke, successor trustee of the Helen M. Behnke Revocable Trust, for the period from February 1, 2012 through January 31, 2014. The monthly rental rate on this property was $1,325. After the expiration date on January 31, 2014 this lease was renewed at the monthly rental of $1,325 and expired January 31, 2016. On October 21, 2015 the lease was renewed at the monthly rental rate of $1,325 for the period beginning February 1, 2016 and expiring January 31, 2017.

In July 2012, the Organization entered into a rental agreement for shelter space with Arloe and Mary Crawford, for the period from July 5, 2012 to July 5, 2013. The monthly rental rate on this property was $325. A new agreement was signed for the period July 5, 2013 to July 5, 2014, with a monthly rental rate of $350, $4200 annually. This lease was not renewed.

In August 2014, the Organization entered into a rental agreement for shelter space in O'Neill with Advantage Land and Realty, for the period from August 1, 2014 to July 31, 2015. The monthly rental rate is $450, $5,400 annually. In the event the Organization is not in breach of any provisions of this lease, it may continue on a month by month basis thereafter.

In April 2013, the Organization entered into an annual rental agreement with Elaine Clemens for office space in O'Neill, for the period from April 13, 2013 to April 13, 2014. The Organization agreed to pay $6,000 for 1 year's rate. This lease is being verbally renewed and approved by the board on an annual basis.

In July 2014, the Organization entered into a rental agreement for office space in Ainsworth with Brown County Hospital, for the period July 1, 2014 to June 30, 2015. The rent is $50 per month due in semi-annual installments of $300, $600 annually. This agreement will automatically renew on an annual basis going forward unless tenant provides landlord with 30 days written notice, prior to the renewal of the lease term.

NOTE C – RENTAL AGREEMENTS (cont'd)

The Organization has also entered into a monthly rental agreement for storage space in O'Neill.

In October 2015, the Organization entered into a rental agreement for shelter space in Norfolk with First United Methodist Church, for the period from October 1, 2015 to September 30, 2018. The annual rental contribution for 2016 was $5,000. The amount of future rental contributions will be dependent on funds available.

Total rents paid for the years ended June 30, 2016, 2015 and 2014 were $34,520, $29,868, and 28,020, respectively.

Future minimum lease payments are as follows:

June 30	
2017	$ 9,725
Total	$ 9,725

NOTE D – LEASE COMMITMENT

On November 3, 2014, the Organization entered into a lease agreement with Great America Financial Services Corporation for a copier machine for the Norfolk office. The term of the lease is for 60 months and expires October 2020. It requires monthly payments of $156 plus tax.

On October 26, 2010, the Organization entered into a lease agreement with Great America Leasing Corporation for a copier machine for the O'Neill office. The term of the lease is for 63 months and expires December 2016. It requires monthly payments of $70 plus tax.

On April 15, 2015, the Organization entered into a lease agreement with Great America Financial Services Corporation for a copier machine for the Norfolk Shelter. The term of the lease is for 60 months and expires March 2020. It requires monthly payments of $89 plus tax.

NOTE D – LEASE COMMITMENT (cont'd)

Future minimum lease payments not including tax are as follows:

June 30		
2017	$	2,946
2018		2,946
2019		2,946
2020		1,427
Total	$	10,265

NOTE E – DEFINED CONTRIBUTION PENSION PLAN

The Organization started a Simple IRA plan effective January 1, 2009. Employees must earn $1,000 during the plan year and have worked one prior year to become eligible. The employees may defer a portion of their salary and the Organization's contribution is the amount of the Participant's deferral not in excess of 3% of Participant's compensation. The Organization's contribution for the years ended June 30, 2016, 2015 and 2014 was $10,678, $9,202 and $7,740, respectively.

NOTE F – RELATED PARTY TRANSACTIONS

The Organization receives counseling services from the employer of two of its board members in the ordinary course of business at competitive prices. These transactions were not material for the years ended June 30, 2016, 2015 and 2014.

NOTE G – JOINT VENTURE

The Organization was a participating member of the Rural Domestic Violence, Dating Violence, Sexual Assault, Stalking and Child Abuse Enforcement Assistance Program Grant (Rural Grant). The grant originated on October 1, 2007. The grant was renewed October 1, 2012 for a three year period ending September 30, 2015 and then again for another three year period ending September 30, 2018. The Ponca Tribe of Nebraska is the fiscal agent for the Rural Grant. Bright Horizons submits monthly invoices to the Ponca Tribe of Nebraska throughout the grant period and is reimbursed for all allowable costs.

SUPPLEMENTARY INFORMATION

Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
SCHEDULE OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS
For the Year Ending June 30, 2016
With Comparative Totals for 2015 and 2014

	Program Services	General/ Admin.	Fundraising	2016 Total	2015 Total	2014 Total
Payroll	$ 363,477	$ 33,614	$ -	$ 397,091	$ 333,462	$ 278,152
Fringe benefits & payroll tax	37,083	3,549	-	40,632	41,720	42,981
Bank service charge	-	-	-	-	40	40
Accounting fees	-	7,050	-	7,050	6,700	5,850
Client services:						
Professional fees	2,016	-	-	2,016	-	-
Contracts	4,615	-	-	4,615	4,928	1,080
Financial Aid	2,731	-	-	2,731	4,487	4,201
Food	2,195	-	-	2,195	3,708	2,187
Transportation	7,516	-	-	7,516	8,365	7,387
Medical	199	-	-	199	168	552
Norfolk shelter						
Supplies	3,933	-	-	3,933	4,303	851
Utilities	4,955	-	-	4,955	5,221	5,527
Maintenance & repair	18,179	-	-	18,179	8,609	6,322
Copier lease	1,155	-	-	1,155	911	789
Cable, telephone, internet	3,968	-	-	3,968	3,983	3,330
O'Neill shelter						
Rent	5,400	-	-	5,400	6,288	4,200
Supplies	261	-	-	261	1,746	29
Utilities	1,037	-	-	1,037	1,339	1,835
Maintenance & repair	696	-	-	696	445	932
Cable, telephone, internet	1,246	-	-	1,246	1,138	938
Transitional Shelter						
Maintenance & repair	1,876	-	-	1,876	-	-
Rent	5,000	-	-	5,000	-	-
Supplies	8,915	-	-	8,915	-	-
Telephone, internet	1,589	-	-	1,589	-	-
Utilities	1,741	-	-	1,741	-	-
Ainsworth office						
Rent	480	90	30	600	600	-
Norfolk office						
Rent	13,260	2,385	795	16,440	15,900	16,900
Utilities	2,718	510	170	3,398	3,933	3,319
O'Neill office						
Contracted services	260	-	-	260	234	179
Rent	5,880	900	300	7,080	7,080	6,920
Utilities	2,608	489	163	3,260	3,334	3,553
Equipment/maintenance	27,267	5,111	1,703	34,081	27,939	7,056
Insurance	20,043	1,279	-	21,322	12,791	6,071
Membership dues	1,747	-	-	1,747	1,387	973
Printing and publications	4,933	315	-	5,248	8,344	5,392
Postage	1,725	111	19	1,855	1,994	1,283
Employee related costs	603	-	-	603	541	347
Supplies	22,451	-	6,567	29,018	30,062	16,896
Telephone	10,652	687	115	11,454	11,499	9,305
Training	1,571	-	-	1,571	915	228
Travel	12,166	4,056	-	16,222	16,764	12,114
	$ 608,147	$ 60,146	$ 9,862	$ 678,155	$ 580,878	$ 457,719