

**BRIGHT HORIZONS RESOURCES
FOR SURVIVORS OF DOMESTIC
VIOLENCE AND SEXUAL ASSAULT**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

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



**BRIGHT HORIZONS RESOURCES FOR SURVIVORS OF
DOMESTIC VIOLENCE AND SEXUAL ASSAULT**

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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, 2017 and 2016, 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.

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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, 2017 and 2016, 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 this 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 10 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

October 5, 2017

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS
For the Years Ended June 30, 2017 and 2016**

| | 2017 | 2016 |
|--|-------------|-------------|
| Unrestricted Net Assets | | |
| Support: | | |
| Grants | \$ 36,234 | \$ 34,731 |
| Donations and fundraisers | 54,151 | 51,121 |
| Transitional shelter rent | 4,687 | 770 |
| Interest income | 3 | 5 |
| Total unrestricted support | 95,075 | 86,627 |
| Net assets released from restrictions | 598,667 | 538,772 |
| Net unrestricted support | 693,742 | 625,399 |
| Disbursements: | | |
| Program expenses | 712,974 | 608,147 |
| Management and general | 54,321 | 60,146 |
| Fundraising | 11,227 | 9,862 |
| Total unrestricted disbursements | 778,522 | 678,155 |
| Change in unrestricted net assets | (84,780) | (52,756) |
| Temporarily Restricted Net Assets | | |
| Grants | 581,688 | 533,555 |
| Donations | 737 | 5,065 |
| Project Homeless Connect income | 27,650 | - |
| Restrictions satisfied by payment | (598,667) | (538,772) |
| Change in temp. restricted net assets | 11,408 | (152) |
| Net change in net assets | (73,372) | (52,908) |
| Net assets, beginning of year | 130,178 | 183,086 |
| Net Assets, end of year | \$ 56,806 | \$ 130,178 |

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, 2017 and 2016**

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|-------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ <u>56,795</u> | \$ <u>130,168</u> |
| Total Assets | \$ <u><u>56,795</u></u> | \$ <u><u>130,168</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Payroll liabilities | \$ (11) | \$ (10) |
| Agency liability | <u>0</u> | <u>-</u> |
| Total Current Liabilities | (11) | (10) |
| Net Assets | | |
| Net assets, unrestricted | 38,573 | 123,353 |
| Net assets, temporarily restricted | <u>18,233</u> | <u>6,825</u> |
| Total net assets | <u><u>56,806</u></u> | <u><u>130,178</u></u> |
| Total Liabilities and Net Assets | \$ <u><u>56,795</u></u> | \$ <u><u>130,168</u></u> |

See accompanying notes to the financial statements.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

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 2014. 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.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

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, 2017 and 2016 these non-professional services were valued at \$80,800 and \$81,441, 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, 2017 and 2016 was \$2,221 and \$5,878, 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, 2017 and 2016 was \$38,574 and \$123,354, 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, 2017 and 2016 was \$18,233 and \$6,825, respectively. Of the June 30, 2017 and 2016 balances, \$17,074 and \$-0-, respectively was for Project Homeless Connect.

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, 2017) for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through October 5, 2017, which is the date the financial statements were available to be issued.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE B – BANK DEPOSITS

At June 30, 2017, the Organization had \$66,323 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, 2017, there were no uninsured cash balances.

At June 30, 2016, the Organization had \$137,189 held at three financial institutions and there were no uninsured cash balances.

NOTE C – RENTAL AGREEMENTS

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 per year. 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 was \$50 per month due in semi-annual installments of \$300, \$600 annually. This agreement would automatically renew on an annual basis going forward unless tenant provided landlord with 30 days written notice, prior to the renewal of the lease term. In January 2017, Brown County Hospital voted to donate the office space to the Organization.

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 was \$5,000 for 2016 and 2017. The amount of future rental contributions will be dependent on funds available.

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 was \$450, \$5,400 annually. In the event the Organization was not in breach of any provisions of this lease, it could continue on a month by month basis thereafter. A new lease was signed in August 2016, for the period August 1, 2016 to July 31, 2017. In addition to the monthly rental rate of \$450, \$5,400 annually, the Organization became responsible for the water, sewer, and garbage bill. This is a monthly charge of \$50 that is paid with rent, totaling \$6,000 annually due for the shelter space.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE C – RENTAL AGREEMENTS (cont'd)

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 December 2016, the Organization entered into a rental agreement for office space in Norfolk with Kimes Properties, LLC for the period from February 1, 2017 through January 31, 2027. The monthly rental rate on this property is \$2,150 through September 2017. Starting October 2017, the monthly rate will be \$2,800 per month through January 2020. At the end of every three year period, Kimes Properties, LLC has the ability to adjust the base rent to account for increases in insurance and real estate taxes. Said adjustment shall not exceed an increase of 8% over the base rent from the previous three year period. Rent is being paid to a related party as described in Note F.

The Organization has also entered into monthly rental agreements for storage spaces in O'Neill and Norfolk.

Total rents paid for the years ended June 30, 2017 and 2016 were \$39,435 and \$34,520, respectively.

Future minimum lease payments are as follows:

| <u>June 30</u> | |
|-----------------------|------------------|
| 2018 | \$ 32,150 |
| 2019 | 33,600 |
| 2020 | <u>19,600</u> |
| Total | <u>\$ 85,350</u> |

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.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE D – LEASE COMMITMENT (cont'd)

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 October 10, 2016, the Organization entered into a lease agreement with Great America Financial Services Corporation for a newer copier machine. The term of the lease is for 63 months and expires December 2020. It requires monthly payments of \$85 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.

Future minimum lease payments not including tax are as follows:

June 30

| | | |
|-------|----|---------------|
| 2018 | \$ | 3,966 |
| 2019 | | 3,966 |
| 2020 | | 2,447 |
| 2021 | | <u>510</u> |
| Total | \$ | <u>10,889</u> |

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, 2017 and 2016 was \$12,580 and \$10,678, respectively.

**Bright Horizons Resources for Survivors of
Domestic Violence and Sexual Assault
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

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, 2017 and 2016.

The Organization is renting the Norfolk office building from a relative of an employee. Rent paid for the year ended June 30, 2017 was \$10,750.

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, 2017
With Comparative Totals for 2016**

| | <u>Program Expenses</u> | <u>Management & General</u> | <u>Fundraising</u> | <u>2017 Total</u> | <u>2016 Total</u> |
|----------------------------------|-----------------------------|-------------------------------------|--------------------|-----------------------|-----------------------|
| Payroll | \$ 441,666 | \$ 24,713 | \$ 1,570 | \$ 467,949 | \$ 397,091 |
| Fringe benefits & payroll tax | 45,476 | 2,584 | 164 | 48,224 | 40,632 |
| Accounting fees | - | 7,400 | - | 7,400 | 7,050 |
| Client services: | | | | | |
| Professional fees | - | - | - | - | 2,016 |
| Contracts | - | - | - | - | 4,615 |
| Financial Aid | 1,657 | - | - | 1,657 | 2,731 |
| Food | 4,612 | - | - | 4,612 | 2,195 |
| Legal | 5,194 | - | - | 5,194 | - |
| Transportation | 10,628 | - | - | 10,628 | 7,516 |
| Medical | 234 | - | - | 234 | 199 |
| Norfolk shelter | | | | | |
| Supplies | 1,443 | - | - | 1,443 | 3,933 |
| Utilities | 5,114 | - | - | 5,114 | 4,955 |
| Maintenance & repair | 3,827 | - | - | 3,827 | 18,179 |
| Copier lease | 1,230 | - | - | 1,230 | 1,155 |
| Cable, telephone, internet | 3,503 | - | - | 3,503 | 3,968 |
| O'Neill shelter | | | | | |
| Rent | 6,000 | - | - | 6,000 | 5,400 |
| Supplies | 358 | - | - | 358 | 261 |
| Utilities | 1,351 | - | - | 1,351 | 1,037 |
| Maintenance & repair | 1,169 | - | - | 1,169 | 696 |
| Cable, telephone, internet | 1,186 | - | - | 1,186 | 1,246 |
| Transitional Shelter | | | | | |
| Maintenance & repair | 1,379 | - | - | 1,379 | 1,876 |
| Rent | 5,000 | - | - | 5,000 | 5,000 |
| Supplies | 374 | - | - | 374 | 8,915 |
| Telephone, internet | 1,693 | - | - | 1,693 | 1,589 |
| Utilities | 4,261 | - | - | 4,261 | 1,741 |
| Ainsworth office | | | | | |
| Rent | 498 | 90 | 12 | 600 | 600 |
| Norfolk office | | | | | |
| Contracted services | 1,500 | 265 | - | 1,765 | - |
| Rent | 17,161 | 3,004 | 401 | 20,566 | 16,440 |
| Utilities | 3,481 | 629 | 84 | 4,194 | 3,398 |
| O'Neill office | | | | | |
| Contracted services | 221 | 39 | - | 260 | 260 |
| Rent | 6,250 | 900 | 120 | 7,270 | 7,080 |
| Utilities | 2,562 | 463 | 62 | 3,087 | 3,260 |
| Maintenance & repair | 361 | 64 | - | 425 | - |
| Project Homeless Connect expense | 10,576 | - | - | 10,576 | - |
| Equipment/maintenance | 30,229 | 1,950 | 324 | 32,503 | 34,081 |
| Insurance | 15,522 | 7,995 | - | 23,517 | 21,322 |
| Membership dues | 1,406 | - | - | 1,406 | 1,747 |
| Miscellaneous | - | 219 | - | 219 | - |
| Printing and publications | 4,033 | 258 | - | 4,291 | 5,248 |
| Postage | 1,761 | 114 | 19 | 1,894 | 1,855 |
| Employee related costs | 692 | - | - | 692 | 603 |
| Supplies | 34,550 | - | 8,337 | 42,887 | 29,018 |
| Telephone | 12,470 | 805 | 134 | 13,409 | 11,454 |
| Training | 4,418 | - | - | 4,418 | 1,571 |
| Travel | 17,928 | 2,829 | - | 20,757 | 16,222 |
| | <u>\$ 712,974</u> | <u>\$ 54,321</u> | <u>\$ 11,227</u> | <u>\$ 778,522</u> | <u>\$ 678,155</u> |