

Bo's Place

Financial Statements
and Independent Auditors' Report
for the years ended June 30, 2015 and 2014

Bo's Place

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Independent Auditors' Report

To the Board of Directors of
Bo's Place:

We have audited the accompanying financial statements of Bo's Place, which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

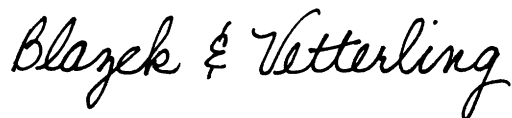
Management's Responsibility for the Financial Statements – Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance 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.

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 our audits 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 auditors' 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 Bo's Place 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.



September 22, 2015

Bo's Place

Statements of Financial Position as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 161,646	\$ 255,529
Pledges receivable	2,692	61,466
Prepaid expenses	50,633	49,206
Investments (<i>Notes 2 and 3</i>)	2,774,495	2,447,331
Property and equipment, net (<i>Note 4</i>)	<u>2,600,890</u>	<u>2,717,858</u>
TOTAL ASSETS	<u>\$ 5,590,356</u>	<u>\$ 5,531,390</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 86,062	\$ 64,624
Deferred special event revenue	<u>15,620</u>	<u>116,540</u>
Total liabilities	<u>101,682</u>	<u>181,164</u>
Net assets:		
Unrestricted	5,015,614	4,894,309
Temporarily restricted (<i>Note 6</i>)	<u>473,060</u>	<u>455,917</u>
Total net assets	<u>5,488,674</u>	<u>5,350,226</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,590,356</u>	<u>\$ 5,531,390</u>

See accompanying notes to financial statements.

Bo's Place

Statement of Activities for the year ended June 30, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
OPERATING REVENUE:			
Contributions (<i>Note 5</i>)	\$ 691,298	\$ 343,077	\$ 1,034,375
Special events	991,223	-	991,223
Cost of direct donor benefits of special events	(170,523)	-	(170,523)
Investment return (<i>Note 2</i>)	72,080	-	72,080
Other income	<u>9,905</u>	<u>-</u>	<u>9,905</u>
Total operating revenue	1,593,983	343,077	1,937,060
Net assets released from restrictions:			
Program expenditures	314,468	(314,468)	-
Expiration of time restrictions	<u>11,466</u>	<u>(11,466)</u>	<u>-</u>
Total	<u>1,919,917</u>	<u>17,143</u>	<u>1,937,060</u>
OPERATING EXPENSES:			
Program expenses	1,250,576	-	1,250,576
Management and general	175,324	-	175,324
Fundraising	<u>326,731</u>	<u>-</u>	<u>326,731</u>
Total operating expenses	<u>1,752,631</u>	<u>-</u>	<u>1,752,631</u>
Operating income	167,286	17,143	184,429
NON-OPERATING REVENUE, EXPENSES, GAINS AND LOSSES:			
Net unrealized loss (<i>Note 2</i>)	<u>(45,981)</u>	<u>-</u>	<u>(45,981)</u>
CHANGES IN NET ASSETS	121,305	17,143	138,448
Net assets, beginning of year	<u>4,894,309</u>	<u>455,917</u>	<u>5,350,226</u>
Net assets, end of year	<u>\$ 5,015,614</u>	<u>\$ 473,060</u>	<u>\$ 5,488,674</u>

See accompanying notes to financial statements.

Bo's Place

Statement of Activities for year ended June 30, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
OPERATING REVENUE:			
Contributions (<i>Note 5</i>)	\$ 640,994	\$ 284,342	\$ 925,336
Special events	819,749	-	819,749
Cost of direct donor benefits of special events	(161,268)	-	(161,268)
Investment return (<i>Note 2</i>)	103,690	-	103,690
Other income	<u>8,230</u>	<u>-</u>	<u>8,230</u>
Total operating revenue	1,411,395	284,342	1,695,737
Net assets released from restrictions:			
Program expenditures	226,475	(226,475)	-
Expiration of time restrictions	<u>10,270</u>	<u>(10,270)</u>	<u>-</u>
Total	<u>1,648,140</u>	<u>47,597</u>	<u>1,695,737</u>
OPERATING EXPENSES:			
Program expenses	1,155,478	-	1,155,478
Management and general	176,266	-	176,266
Fundraising	<u>281,367</u>	<u>-</u>	<u>281,367</u>
Total operating expenses	<u>1,613,111</u>	<u>-</u>	<u>1,613,111</u>
Operating income	35,029	47,597	82,626
NON-OPERATING REVENUE, EXPENSES, GAINS AND LOSSES:			
Net unrealized gain (<i>Note 2</i>)	<u>148,721</u>	<u>-</u>	<u>148,721</u>
CHANGES IN NET ASSETS	183,750	47,597	231,347
Net assets, beginning of year	<u>4,710,559</u>	<u>408,320</u>	<u>5,118,879</u>
Net assets, end of year	<u>\$ 4,894,309</u>	<u>\$ 455,917</u>	<u>\$ 5,350,226</u>

See accompanying notes to financial statements.

Bo's Place

Statements of Functional Expenses for the years ended June 30, 2015 and 2014

	PROGRAM EXPENSES	MANAGEMENT AND GENERAL	FUNDRAISING	2015 TOTAL
Salaries and related expenses	\$ 658,650	\$ 105,002	\$ 190,913	\$ 954,565
Supplies and office operations	235,925	5,129	62,490	303,544
Rent, repairs and utilities	97,906	12,087	10,878	120,871
Depreciation	94,744	11,697	10,527	116,968
Contract services	26,059	34,453	31,113	91,625
Donated professional services	51,238	575	2,925	54,738
Donated supplies	36,092	250	425	36,767
Insurance	25,857	3,192	2,873	31,922
Employee mileage reimbursement and meals	10,346	2,345	13,394	26,085
Professional development	<u>13,759</u>	<u>594</u>	<u>1,193</u>	<u>15,546</u>
Total expenses	<u>\$ 1,250,576</u>	<u>\$ 175,324</u>	<u>\$ 326,731</u>	1,752,631
Percent of total expenses	71%	10%	19%	
Cost of direct donor benefits of special events				170,523
Investment management fees				<u>8,038</u>
Total				<u>\$ 1,931,192</u>

	PROGRAM EXPENSES	MANAGEMENT AND GENERAL	FUNDRAISING	2014 TOTAL
Salaries and related expenses	\$ 600,190	\$ 95,128	\$ 180,447	\$ 875,765
Supplies and office operations	173,491	6,123	56,092	235,706
Rent, repairs and utilities	92,486	11,418	10,276	114,180
Depreciation	95,236	11,758	10,582	117,576
Contract services	33,750	36,037	18,350	88,137
Donated professional services	74,998	502	637	76,137
Donated supplies	39,003	3,500	1,225	43,728
Insurance	23,316	2,878	2,591	28,785
Employee mileage reimbursement and meals	8,530	7,974	225	16,729
Professional development	<u>14,478</u>	<u>948</u>	<u>942</u>	<u>16,368</u>
Total expenses	<u>\$ 1,155,478</u>	<u>\$ 176,266</u>	<u>\$ 281,367</u>	1,613,111
Percent of total expenses	72%	11%	17%	
Cost of direct donor benefits of special events				<u>161,268</u>
Total				<u>\$ 1,774,379</u>

See accompanying notes to financial statements.

Bo's Place

Statements of Cash Flows for years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 138,448	\$ 231,347
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	116,968	117,576
Net realized and unrealized (gain) loss on investments	73,065	(160,883)
Changes in operating assets and liabilities:		
Pledges receivable	58,774	(39,696)
Prepaid expenses	(1,427)	(2,001)
Accounts payable and accrued expenses	21,438	11,794
Deferred special event revenue	<u>(100,920)</u>	<u>71,270</u>
Net cash provided by operating activities	<u>306,346</u>	<u>229,407</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,467,933)	(465,227)
Sale of investments	4,102,818	398,477
Change in money market mutual funds	<u>(35,114)</u>	<u>-</u>
Net cash used by investing activities	<u>(400,229)</u>	<u>(66,750)</u>
NET CHANGE IN CASH	(93,883)	162,657
Cash, beginning of year	<u>255,529</u>	<u>92,872</u>
Cash, end of year	<u>\$ 161,646</u>	<u>\$ 255,529</u>

See accompanying notes to financial statements.

Bo's Place

Notes to Financial Statements for the years ended June 30, 2015 and 2014

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Bo's Place, a Texas nonprofit corporation founded in 1990, is dedicated to enhancing the lives of those who have experienced the death of a loved one. Bo's Place is a free-of-charge bereavement center offering multiple grief support services for children, families, and adults in their grief journey, and provides education and resources for those who assist people in grief.

Federal income tax status – Bo's Place is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi). Bo's Place files annual federal information returns. Bo's Place is subject to routine examinations of its returns. Currently, there are no tax examinations in progress for any tax period. The time period to examine tax returns for the fiscal years ending June 30, 2012 and prior has expired and Bo's Place believes such returns are no longer subject to examination.

Pledges receivable due within one year are reported at net realizable value. Amounts due in more than one year are discounted, if material, to estimate the present value of future cash flows. At June 30, 2015, all pledges receivable are due within one year.

Investments are reported at fair value.

Property and equipment are reported at cost if purchased and at fair value at date of gift if donated. Bo's Place capitalizes expenditures in excess of \$5,000 for property and equipment. Depreciation is recorded on a straight-line basis over estimated useful lives of 3 to 40 years.

Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recognized as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. In June 2015, Bo's Place received a matching grant in which all contributions from new donors or increased gifts from existing donors received during the period July 1, 2015 to December 31, 2015 will be matched up to \$100,000.

Special event revenue is recognized when the event occurs. Amounts received in advance are reported as deferred revenue until earned.

Non-cash contributions – Donated assets, materials, and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Measure of operations – Bo’s Place includes in its measure of operations all revenue and expenses that are an integral part of its programs and supporting activities and excludes permanently restricted contributions, contributions for capital additions, and unrealized gains and losses on investments.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – INVESTMENTS

Investments consist of the following:

	<u>2015</u>	<u>2014</u>
Bond mutual funds	\$ 1,453,990	\$ 1,569,552
Equity mutual funds	830,047	-
Exchange-traded funds	455,344	877,779
Money market mutual funds	<u>35,114</u>	<u>-</u>
Total investments	<u>\$ 2,774,495</u>	<u>\$ 2,447,331</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return from investments and cash consists of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 107,202	\$ 91,528
Net realized gain (loss) on investments	(27,084)	12,162
Investment management fees	<u>(8,038)</u>	<u>-</u>
Operating investment return	72,080	103,690
Net unrealized gain (loss) on investments	<u>(45,981)</u>	<u>148,721</u>
Total investment return	<u>\$ 26,099</u>	<u>\$ 252,411</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price

that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at June 30, 2015 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Bond mutual funds:				
Short-term	\$ 629,487	\$ -	\$ -	\$ 629,487
Intermediate	279,633	-	-	279,633
International	274,555	-	-	274,555
High-yield	179,185	-	-	179,185
Inflation protected	91,130	-	-	91,130
Equity mutual funds:				
Large cap growth	320,436	-	-	320,436
Mid cap blend	277,609	-	-	277,609
Large cap blend	232,002	-	-	232,002
Exchange-traded funds:				
Large blend	335,696	-	-	335,696
Small blend	119,648	-	-	119,648
Money market mutual funds	<u>35,114</u>	<u>-</u>	<u>-</u>	<u>35,114</u>
Total assets measured at fair value	<u>\$ 2,774,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,774,495</u>

Assets measured at fair value at June 30, 2014 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Bond mutual funds:				
Short-term	\$ 319,734	\$ -	\$ -	\$ 319,734
Intermediate	800,541	-	-	800,541
High-yield	449,277	-	-	449,277
Exchange-traded funds:				
Large blend	312,095	-	-	312,095
Large value	328,793	-	-	328,793
Foreign large blend	<u>236,891</u>	<u>-</u>	<u>-</u>	<u>236,891</u>
Total assets measured at fair value	<u>\$ 2,447,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,447,331</u>

Valuation methods used for assets measured at fair value are as follows:

- *Mutual funds* are valued at the reported net asset value of shares held.
- *Exchange-traded funds* are valued at the closing price reported on the active market on which the funds are traded.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Bo's Place believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 475,892	\$ 475,892
Land improvements	80,945	80,945
Building	3,194,582	3,194,582
Furniture and equipment	<u>214,334</u>	<u>214,334</u>
Total property and equipment, at cost	3,965,753	3,965,753
Accumulated depreciation	<u>(1,364,863)</u>	<u>(1,247,895)</u>
Property and equipment, net	<u>\$ 2,600,890</u>	<u>\$ 2,717,858</u>

NOTE 5 – DONATED MATERIALS AND SERVICES

Bo's Place recognized professional services from mental health professionals and donated materials for program services during the years ended June 30, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Professional services	\$ 54,738	\$ 76,137
Office and program supplies	<u>36,767</u>	<u>43,728</u>
Total donated materials and services	<u>\$ 91,505</u>	<u>\$ 119,865</u>

In addition, many individuals volunteer their time to perform a variety of tasks that assist Bo's Place in providing grief support to bereaved families such as volunteer facilitators, kitchen volunteers, and assistance with other projects. Bo's Place received 13,413 volunteer hours with an estimated value of \$330,755 and 13,924 volunteer hours with an estimated value of \$325,810 during the years ended June 30, 2015 and 2014, respectively, which were not recognized in these financial statements because they do not meet the criteria for recognition. The estimated value of volunteer time per hour was obtained from Independent Sector, a leadership network for nonprofit organizations, foundations and corporate giving programs.

NOTE 6 – TEMPORARY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Maintenance fund	\$ 374,839	\$ 372,639
Camp	75,000	8,120
Twenty Fifth Anniversary	17,613	-
Time restricted	2,692	11,466
Summer programs	1,705	1,988
Community outreach	1,211	59,490
Spanish translation Life & Death Exhibit	-	2,000
Grounds	<u>-</u>	<u>214</u>
Total temporarily restricted net assets	<u>\$ 473,060</u>	<u>\$ 455,917</u>

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 22, 2015, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
