

**FRIENDS IN GENERAL, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2009 and 2008**

**FRIENDS IN GENERAL, INC.**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Friends in General, Inc.  
Nashville, Tennessee

We have audited the accompanying statements of financial position of Friends in General, Inc. (a non-profit organization) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends in General, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Frasier, Dean & Howard, PLLC*

November 4, 2009

**FRIENDS IN GENERAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2009 and 2008**

	<b>Assets</b>	<u>2009</u>	<u>2008</u>
<b>Current assets:</b>			
Cash and cash equivalents		\$ 159,338	\$ 186,951
Contributions receivable		<u>58,595</u>	<u>57,934</u>
<b>Total assets</b>		<u><u>\$ 217,933</u></u>	<u><u>\$ 244,885</u></u>
 <b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Grants payable		<u>\$ 6,000</u>	<u>\$ 37,000</u>
<b>Total liabilities</b>		<u>6,000</u>	<u>37,000</u>
<b>Net assets:</b>			
Unrestricted		153,338	149,951
Temporarily restricted		<u>58,595</u>	<u>57,934</u>
<b>Total net assets</b>		<u>211,933</u>	<u>207,885</u>
<b>Total liabilities and net assets</b>		<u><u>\$ 217,933</u></u>	<u><u>\$ 244,885</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue:</b>			
Contributions and other	\$ 103,984	\$ 58,595	\$ 162,579
In-kind donations	211,862	-	211,862
Interest income	486	-	486
Net assets released from timing restrictions	<u>57,934</u>	<u>(57,934)</u>	<u>-</u>
<b>Total revenue</b>	<u>374,266</u>	<u>661</u>	<u>374,927</u>
<b>Expenses:</b>			
Program services	335,439	-	335,439
Management and general	35,440	-	35,440
Fundraising costs	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>370,879</u>	<u>-</u>	<u>370,879</u>
<b>Change in net assets</b>	<u>3,387</u>	<u>661</u>	<u>4,048</u>
<b>Net assets, beginning of year</b>	<u>149,951</u>	<u>57,934</u>	<u>207,885</u>
<b>Net assets, end of year</b>	<u><u>\$ 153,338</u></u>	<u><u>\$ 58,595</u></u>	<u><u>\$ 211,933</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Contributions and other	\$ 97,180	\$ 57,934	\$ 155,114
United Way contributions	578	-	578
In-kind donations	229,043	-	229,043
Interest income	1,271	-	1,271
Net assets released from timing restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
Total revenue	<u>378,072</u>	<u>7,934</u>	<u>386,006</u>
Expenses:			
Program services	287,869	-	287,869
Management and general	29,410	-	29,410
Fundraising costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>317,279</u>	<u>-</u>	<u>317,279</u>
Change in net assets	60,793	7,934	68,727
Net assets, beginning of year	<u>89,158</u>	<u>50,000</u>	<u>139,158</u>
Net assets, end of year	<u><u>\$ 149,951</u></u>	<u><u>\$ 57,934</u></u>	<u><u>\$ 207,885</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2009**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Property and equipment				
donations (in-kind)	\$ 184,805	\$ -	\$ -	\$ 184,805
Mammograms in May grants	82,469	-	-	82,469
Nurse Navigator	45,217	-	-	45,217
Salaries (in-kind)	-	27,057	-	27,057
Other grant expenses	22,698	-	-	22,698
Office expense	-	4,078	-	4,078
Professional fees	-	4,010	-	4,010
Licenses and dues	250	295	-	545
	<u>\$ 335,439</u>	<u>\$ 35,440</u>	<u>\$ -</u>	<u>\$ 370,879</u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Property and equipment donations (in-kind)	\$ 207,043	\$ -	\$ -	\$ 207,043
Other grant expenses	49,310	-	-	49,310
Mammograms in May grants	30,991	-	-	30,991
Salaries (in-kind)	-	22,000	-	22,000
Professional fees	-	3,650	-	3,650
Office expense	-	3,468	-	3,468
Licenses and dues	525	270	-	795
Staff education	-	22	-	22
	<u>\$ 287,869</u>	<u>\$ 29,410</u>	<u>\$ -</u>	<u>\$ 317,279</u>

See accompanying notes.



**FRIENDS IN GENERAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,048	\$ 68,727
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in operating assets and liabilities:		
Contribution receivable	(661)	(7,934)
Grants payable	<u>(31,000)</u>	<u>37,000</u>
Net cash (used in) provided by operating activities	<u>(27,613)</u>	<u>97,793</u>
Net (decrease) increase in cash and cash equivalents	(27,613)	97,793
Cash and cash equivalents, beginning of year	<u>186,951</u>	<u>89,158</u>
Cash and cash equivalents, end of year	<u><u>\$ 159,338</u></u>	<u><u>\$ 186,951</u></u>

See accompanying notes.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009 and 2008**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**General**

Friends in General, Inc. ("Friends") was established in 1977 as a Tennessee nonprofit corporation to provide resources to support various programs of Nashville General Hospital at Meharry.

**Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of Friends and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor imposed stipulations that they be maintained permanently. Friends has no permanently restricted net assets at June 30, 2009 and 2008.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, Friends considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Contributions**

Contributions are recognized when the donor makes a promise to give to Friends that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restrictions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Friends use the allowance method to determine uncollectible unconditional promises to give.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2009 and 2008**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Donated Goods and Services**

Contributed services are recognized if the services received (a) create or enhance long-lived 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.

Friends receives executive director and other administrative services from employees of Nashville General Hospital at Meharry. The value of such services (\$27,057 and \$22,000 for 2009 and 2008, respectively) is recorded as an in-kind donation. The value of donated goods (\$184,805 and \$207,043 for 2009 and 2008 respectively) is also recorded as an in-kind donation.

Additionally, Friends receives a significant amount of contributed time from unpaid members and volunteers who assist in fundraising and special projects that does not meet the recognition criteria described above. Accordingly, the value of the contributed time has not been determined and is not reflected in the accompanying financial statements.

**Federal Income Taxes**

No provision for federal income taxes is made in the accompanying financial statements, as Friends is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Expenses have been allocated between program, management and general and fundraising based on estimates made by management.

**FRIENDS IN GENERAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2009 and 2008**

**NOTE 2 – GRANTS PAYABLE**

Friend's primary function is to provide funds to Nashville General Hospital at Meharry (NGHM). NGHM is a publicly supported, academically affiliated community-based hospital committed to providing excellent healthcare regardless of age, race, creed, gender, sexual preference or ability to pay. Contributions are primarily made to support NGHM's programs which have included free mammograms to low-income women as well as other healthcare related services such as special machines from which patients can get certain prescriptions filled. Unconditional promises to give have been recorded as a liability in Friend's statements of financial position for amounts promised to give to NGHM at June 30, 2009 and 2008, respectively.

**NOTE 3 – CONCENTRATIONS**

Friends currently receives substantially all support from two major donors. A decrease in the level of support from those donors, if this were to occur, would have a significant impact on Friends' ability to fund its programs. Friends intends to increase fundraising efforts and its variety of contributors by applying for additional grants and soliciting donor support.

**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following promises to give to Friends in the future at June 30:

	<u>2009</u>	<u>2008</u>
Mammograms in May	\$ 27,500	\$ 47,500
Nurse Navigator	<u>31,095</u>	<u>10,434</u>
	<u>\$ 58,595</u>	<u>\$ 57,934</u>