

OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION - NOT-FOR-PROFIT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

(Together with Independent Auditor's Report)

OPERATION STAND DOWN NASHVILLE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Operation Stand Down Nashville, Inc.
Nashville, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Operation Stand Down Nashville, Inc. (a Tennessee corporation – Not-for-Profit) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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

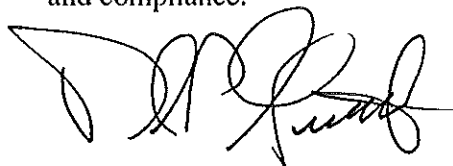
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operation Stand Down Nashville, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support and revenue 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 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated February 5, 2013, on my consideration of Operation Stand Down Nashville, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Operation Stand Down Nashville's internal control over financial reporting and compliance.



Goodlettsville, Tennessee

February 5, 2013

**OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION - NOT FOR PROFIT)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

Current assets:

Cash on hand and in banks	\$ 76,361
Grant funds receivable	51,210
Accounts receivable	9,000
Prepaid expenses	60,862
Total current assets	<u>\$ 197,433</u>

Fixed assets:

Land	\$ 75,650
Buildings and improvements	1,259,410
Equipment & furniture	308,639
Vehicles	80,360
	<u>\$ 1,724,059</u>
Less: Accumulated depreciation	<u>889,901</u>

Total fixed assets	<u>\$ 834,158</u>
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Total assets	<u><u>\$ 1,031,591</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

LIABILITIES AND NET ASSETS

Current liabilities:

Note payable-current portion	\$ 52,481
Accounts payable - trade	52,635
Accrued compensation	58,279
Total current liabilities	<u>\$ 163,395</u>

Other liabilities:

Note payable, net of current portion shown above	<u>\$ 587,306</u>
Total other liabilities	<u>\$ 587,306</u>

Net assets:

Unrestricted	\$ 227,909
Temporarily restricted	52,981
Total net assets	<u>\$ 280,890</u>

Total liabilities and net assets	<u>\$ 1,031,591</u>
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OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION-NOT FOR PROFIT)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Public support and revenue:			
Public support:			
Contributions	\$ 288,436	\$ 102,436	\$ 186,000
Federal grants	1,478,607	1,478,607	-
United Way	10,969	10,969	-
Total public support	\$ 1,778,012	\$ 1,592,012	\$ 186,000
Revenue:			
Contract income	\$ 1,501	\$ 1,501	\$ -
Interest income	44	44	-
Annual event	55,791	55,791	-
Fund raising event	79,600	79,600	-
Client fees	19,415	19,415	-
Sales to the public	57,981	57,981	-
Total revenues	\$ 214,332	\$ 214,332	\$ -
Total public support and revenue	\$ 1,992,344	\$ 1,806,344	\$ 186,000
Net assets released from restriction	\$ -	\$ 209,388	\$ (209,388)
Expenses:			
Program services	\$ 1,964,609	\$ 1,964,609	\$ -
Management & general	233,267	233,267	-
Fund raising	67,866	67,866	-
Total expenses	\$ 2,265,742	\$ 2,265,742	\$ -
Increase (decrease) in net assets	\$ (273,398)	\$ (250,010)	\$ (23,388)
Net assets, December 31, 2011	554,288	477,919	76,369
Net assets, December 31, 2012	\$ 280,890	\$ 227,909	\$ 52,981

The accompanying notes to financial statements are an integral part of this statement.

OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION-NOT FOR PROFIT)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL ALL PROGRAMS
Compensation expense:				
Salaries	\$ 913,037	\$ 135,261	\$ 10,499	\$ 1,058,797
Employee benefits	8,337	-	-	8,337
Payroll taxes	84,091	12,405	674	97,170
Total compensation expense	<u>\$ 1,005,465</u>	<u>\$ 147,666</u>	<u>\$ 11,173</u>	<u>\$ 1,164,304</u>
Other expenses:				
Assistance to clients	\$ 217,597	\$ -	\$ -	\$ 217,597
Dues & subscriptions	1,115	-	-	1,115
Depreciation	96,136	56,506	-	152,642
Event expense	34,449	-	-	34,449
Fund raising event	-	-	26,526	26,526
Insurance	33,159	1,797	-	34,956
Interest	33,183	1,046	-	34,229
Miscellaneous	3,426	405	-	3,831
Occupancy expense	220,705	16,347	-	237,052
Professional fees	147,645	-	-	147,645
Staff training	4,130	-	-	4,130
Supplies and general	135,464	8,624	30,167	174,255
Telephone	13,320	876	-	14,196
Travel	18,815	-	-	18,815
Total other expenses	<u>\$ 959,144</u>	<u>\$ 85,601</u>	<u>\$ 56,693</u>	<u>\$ 1,101,438</u>
Total expenses	<u><u>\$ 1,964,609</u></u>	<u><u>\$ 233,267</u></u>	<u><u>\$ 67,866</u></u>	<u><u>\$ 2,265,742</u></u>

The accompanying notes to financial statements are an integral part of this statement.

OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION FOR NOT PROFIT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash flows from operating activities:

Change in net assets	\$ (273,398)
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Adjustments to reconcile change in net assets to net cash used by operating activities:

Depreciation	152,642
Increase in accounts receivable	(8,968)
Decrease in grant funds receivable	5,572
Increase in prepaid expenses	(11,757)
Increase in accounts payable	31,373
Increase in accrued compensation	<u>12,155</u>

Net cash used by operating activities	\$ <u>(92,381)</u>
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Cash flows from financing activities:

Advance on line of credit, net	31,000
Repayment of loans from banks	\$ <u>(19,753)</u>

Net cash used by financing activities	\$ <u>11,247</u>
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Cash flows from investing activities:

Purchase of property and equipment	\$ <u>(7,000)</u>
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Net cash used by investing activities	\$ <u>(7,000)</u>
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Net decrease in cash	\$ (88,134)
Cash, beginning of period	<u>164,495</u>

Cash, end of period	\$ <u><u>76,361</u></u>
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Supplemental information:

Cash paid for interest expense	\$ <u><u>34,229</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION-NOT FOR PROFIT)
SCHEDULE OF SUPPORT AND REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2011**

U.S. Department of Veterans Affairs	\$ 631,874
U.S. Department of Labor	796,733
U.S. Department of Housing and Urban Development	50,000
United Way	10,969
Metropolitan Nashville Development and Housing Agency	1,501
Contributions and assessments from:	
Annual OSDN event	55,791
Client fees	19,415
Interest income	44
Fund raising event	79,600
Sales to the public	57,981
Other monetary contributions	197,161
Other nonmonetary contributions	<u>91,275</u>
	<u><u>\$ 1,992,344</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION – NOT FOR PROFIT)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(1) ACCOUNTING POLICIES:

Standards of Accounting and Financial Reporting – The Agency follows the standards of accounting and financial reporting as reflected in the AICPA Audit and Accounting Guide *Not-for-Profit Organizations*.

In accordance with these standards, all expenses are allocated into functional categories, dependent upon the ultimate purpose of the expenditure.

Fixed Assets – Land, buildings, and equipment are stated at cost. Depreciation of fixed assets is calculated by the straight-line method over the estimated useful lives of the assets. Donated fixed assets are recorded at their fair market value at the date of donation.

Estimates – The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(2) ORGANIZATION & GENERAL:

Operation Stand Down Nashville, Inc., (The Agency) was formed to assist military veterans in need of employment, medical treatment, legal assistance, sleeping quarters and other services from community and social service agencies.

(3) TAX STATUS:

The Agency is a nonprofit organization, exempt from income tax under Section 501 (c) 3 of the U.S. Internal Revenue Code. Contributions to the Agency qualify for the 50 percent charitable contributions limitation. The Agency's tax returns for the years 2010, 2011 and 2012 are subject to routine audit by the Internal Revenue Service.

(4) NOTES PAYABLE:

Notes payable as of December 31, 2012 were as follows:

	<u>Current Portion</u>	<u>Non- Current Portion</u>
Line of credit payable to Renasant Bank, interest at 5% secured by furniture, equipment and vehicles, subject to a maximum availability of \$50,000.	\$ 31,000	\$ -
Note payable to Renasant Bank, 5.25%, due in monthly installments of \$4,411.44, including interest, through September, 2015, with a balloon payment of \$544,865 due October, 2015, secured by substantially all the agency's real estate.	<u>21,481</u>	<u>587,306</u>
	<u><u>\$ 52,481</u></u>	<u><u>\$ 587,306</u></u>

Future maturities of notes payable are as follows:

Year ended December 31,	
2013	\$ 52,481
2014	22,643
2015	564,663
2016	-
2017	-
Thereafter	-

(5) SIGNIFICANT FUNDING SOURCES:

Operation Stand Down Nashville, Inc., receives a major portion of its funds from Federal grants and contracts from independent agencies for the conduct of its programs. A major reduction of funds from one of the grantor agencies, should this occur, would have a material effect on the programs and the financial position of the Agency.

(6) LEASES:

The agency currently operates from a facility leased under an agreement expiring in April, 2014. Rents paid under this lease amounted to \$71,413 in 2012.

Future minimum lease commitments are as follows:

2013	73,556
2014	31,025

(7) SUBSEQUENT EVENTS:

The Agency has evaluated subsequent events through February 5, 2013, the date which the financial statements were available to be issued. No events have occurred which would have a material effect on the financial statements of the Agency as of that date.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Operation Stand Down Nashville, Inc.
Nashville, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Operation Stand Down Nashville, Inc. (a Tennessee corporation – Not-for-Profit) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements and have issued my report thereon dated February 5, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Operation Stand Down Nashville, Inc.'s internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Operation Stand Down Nashville, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control that I consider to be material weaknesses or significant deficiencies, as defined above.

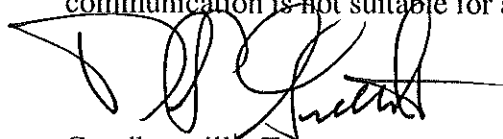
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Operation Stand Down Nashville, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Goodlettsville, Tennessee

February 5, 2013

DAVID P. GUENTHER
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the Board of Directors
Operation Stand Down Nashville, Inc.
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

I have audited Operation Stand Down Nashville, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Operation Stand Down Nashville's major federal programs for the year ended December 31, 2012. Operation Stand Down Nashville, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance of each of Operation Stand Down Nashville's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Operation Stand Down Nashville, Inc.'s compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances.

Page 2

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Operation Stand Down Nashville, Inc.'s compliance.

Opinion on Each Major Federal Program.

In my opinion, Operation Stand Down Nashville, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of my auditing procedures disclosed no instance of noncompliance which are required to be reported in accordance with OMB Circular A-133.

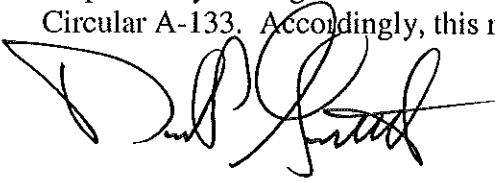
Report on Internal Control Over Compliance

Management of Operation Stand Down Nashville, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Operation Stand Down Nashville, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Operation Stand Down Nashville's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "D. J. Smith", written over the text of the paragraph.

Goodlettsville, Tennessee

February 5, 2013

DAVID P. GUENTHER
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Operation Stand Down Nashville, Inc.
Nashville, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Operation Stand Down Nashville, Inc. (a Tennessee corporation – Not-for-Profit) which comprise the statements of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Operation Stand Down Nashville, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

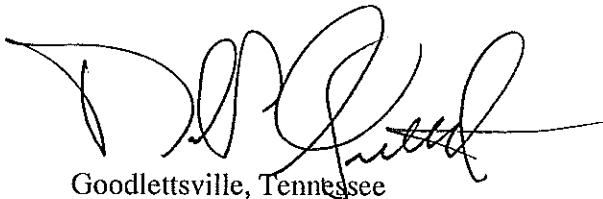
Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, local Governments, and Non-Profit Organizations*, 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 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated February 5, 2013, on my consideration of Operation Stand Down Nashville, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Operation Stand Down Nashville's internal control over financial reporting and compliance.



Goodlettsville, Tennessee

February 5, 2013

OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION FOR NOT PROFIT)
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

CFDA NUMBER	PROGRAM	BALANCE, DEC. 31, 2011	CASH RECEIPTS	TRANSFERS IN
	FEDERAL			
	TYPE A PROGRAMS			
97.024	Veterans Administration 01-004-SVC	\$ (9,635)	\$ 101,326	\$ -
	Veterans Administration 01-004-TN	(35,866)	414,713	-
	Veterans Administration 05-6-TN	(11,281)	121,407	-
	Total 97.024	\$ (56,782)	\$ 637,446	\$ -
17.804	Department of Labor HV-19160-HVO MOD1	\$ -	\$ 147,000	\$ -
	HV-23384-12-60-5-47	-	149,000	-
	VW-20702-10-60-5-47 MOD1	-	253,000	-
	VW-20702-10-60-5-47 MOD2	-	247,733	-
	Total 17.804	\$ -	\$ 796,733	\$ -
	Total Type A Programs	\$ (56,782)	\$ 1,434,179	\$ -
	TYPE B PROGRAMS			
14.231	Department of Housing & Urban Development TN0057B4J041003	\$ -	\$ 20,000	\$ -
	TN0057B4J041104	-	30,000	-
	Total 14.231	\$ -	\$ 50,000	\$ -
	Total Type B Programs	\$ -	\$ 50,000	\$ -
	Total Federal Funds	\$ (56,782)	\$ 1,484,179	\$ -
	Total Grant Funds	\$ (56,782)	\$ 1,484,179	\$ -

The accompanying notes to financial statements are an integral part of this statement.

<u>OTHER ADDITIONS</u>	<u>EXPENDITURES</u>	<u>PAID TO GRANTOR</u>	<u>TRANSFERS OUT</u>	<u>OTHER DEDUCTIONS</u>	<u>BALANCE DEC. 31, 2012</u>
\$ -	\$ 98,739	\$ -	\$ -	\$ -	\$ (7,048)
-	412,618	-	-	-	(33,771)
-	120,517	-	-	-	(10,391)
\$ -	\$ 631,874	\$ -	\$ -	\$ -	\$ (51,210)
\$ -	\$ 147,000	\$ -	\$ -	\$ -	\$ -
-	149,000	-	-	-	-
-	253,000	-	-	-	-
-	247,733	-	-	-	-
\$ -	\$ 796,733	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,428,607	\$ -	\$ -	\$ -	\$ (51,210)
\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
-	30,000	-	-	-	-
\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,478,607	\$ -	\$ -	\$ -	\$ (51,210)
\$ -	\$ 1,478,607	\$ -	\$ -	\$ -	\$ (51,210)

**OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION – NOT FOR PROFIT)
NOTES TO SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(1) ACCOUNTING POLICIES:

The books and records supporting the Schedule of Federal Awards are maintained on the accrual basis of accounting, whereby revenues are recorded as earned, and expenses are recorded as incurred.

**OPERATION STAND DOWN NASHVILLE, INC.
(A TENNESSEE CORPORATION – NOT FOR PROFIT)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1) Summary of the auditor's results:

- i) Type of independent auditor's report issued – unqualified.**
- ii) Reportable conditions in internal control – none noted in the course of the audit.**
- iii) Evidence of material noncompliance – none noted in the course of the audit.**
- iv) Reportable conditions in internal control over major programs – none.**
- v) Type of report issued on compliance for major programs – unqualified.**
- vi) Audit findings which are required to be reported under OMB Circular A-133, Sect. 510(a) – none.**

vii) Type A programs identified:

CFDA#	Grantor Agency	Grant Number
97.024	Veterans Administration	01-004-TN
97.024	Veterans Administration	05-6-TN
97.024	Veterans Administration	01-004-SVC
17.804	Department of Labor	HV 23384-12-60-5-47
17.804	Department of Labor	HV 19160-HVO MOD1
17.804	Department of Labor	VW 20702-10-60-5-47 MOD 2
17.804	Department of Labor	VW 20702-10-60-5-47 MOD1

**viii) Dollar threshold used to distinguish between Type A and Type B programs:
\$300,000.**

ix) The auditee qualifies as a low-risk auditee under OMB Circular A-133, Sect. 530.

2) Findings relating to the financial statement, which are required to be reported under Generally Accepted Governmental Auditing Standards – none.

- 3) Findings and questioned costs for Federal awards including audit findings as defined under OMB Circular A-133, Sect. 510 – none.