TUCKER'S HOUSE

FINANCIAL STATEMENTS AND ACCOUNTANT'S REVIEW REPORT

DECEMBER 31, 2012 AND 2011

TUCKER'S HOUSE
Financial Statements
DECEMBER 31, 2012 AND 2011

Table of Contents

THOMASON
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
of Tucker's House

We have reviewed the accompanying statements of financial position of Tucker's House (a nonprofit organization) as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying December 31, 2012 and 2011 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Thomason Financial Resources

January 4, 2013

TUCKER'S HOUSE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
Current Assets		
Cash	$ 26,197	$ 11,502
Pledge receivable	7,500	-
Total Current Assets	$ 33,697	$ 11,502

LIABILITIES AND NET ASSETS

	2012	2011
Current Liabilities		
Accrued liabilities	$ 434	$ -
Total Current Liabilities	$ 434	$ -
Net Assets		
Unrestricted	33,263	11,502
Total Liabilities and Net Assets	$ 33,697	$ 11,502

See Independent Accountant's Review Report

TUCKER'S HOUSE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012 Unrestricted	2011 Unrestricted
Revenue - public support		
Contributions	$ 24,557	$ 23,864
In-kind contributions	25,473	12,862
Special event revenue:		
Revenue	34,840	-
Less direct costs	(19,152)	-
Net revenue from special events	15,688	-
Total Revenue - public support	65,718	36,726
Expenses		
Program services	31,432	14,558
Management and general	6,942	5,911
Fundraising	5,583	4,890
Total expenses	43,957	25,359
Increase in net assets	21,761	11,367
Net assets at beginning of year	11,502	135
Net assets at end of year	$ 33,263	$ 11,502

See Independent Accountant's Review Report

TUCKER'S HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services	Management and General	Fundraising	Total Expenses
Payroll	$ 500	$ 500	$ 500	$ 1,500
Payroll taxes	41	41	42	124
Total compensation	541	541	542	1,624
Program costs	27,084	-	-	27,084
Accounting	3,120	3,120	3,120	9,360
Insurance	-	1,635	761	2,396
Marketing	455	-	455	910
Dues & subscriptions	-	450	-	450
Office equipment	-	110	-	110
Office supplies & services	-	93	-	93
Telephone & fax	-	239	-	239
Postage & shipping	-	-	114	114
Banking & credit card fees	232	232	232	696
Meetings & travel	-	398	-	398
Website	-	-	359	359
Licenses & Permits	-	72	-	72
Direct expenses of special events	-	-	19,152	19,152
Miscellaneous	-	52	-	52
Total expenses	$ 31,432	$ 6,942	$ 24,735	$ 63,109
Less: expenses netted with revenue on statement of activities;				
Direct expenses of special events	-	-	(19,152)	(19,152)
Total expenses by function	$ 31,432	$ 6,942	$ 5,583	$ 43,957
Current year's percentages	71.51%	15.79%	12.70%	100.00%

See Independent Accountant's Review Report

TUCKER'S HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Services	Management and General	Fundraising	Total Expenses
Program costs	9,858	-	-	9,858
Accounting	3,120	3,120	3,120	9,360
Insurance	-	2,167	-	2,167
Marketing	1,580	423	1,580	3,583
Dues & subscriptions	-	-	-	0
Office equipment	-	-	-	0
Office supplies & services	-	113	-	113
Postage & shipping	-	-	78	78
Banking & credit card fees	-	46	-	46
Website	-	-	112	112
Licenses & Permits	-	42	-	42
Total expenses by function	$ 14,558	$ 5,911	$ 4,890	$ 25,359
Current year's percentages	57.41%	23.31%	19.28%	100.00%

See Independent Accountant's Review Report

TUCKER'S HOUSE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Cash Flows From Operating Activities:	**2012**	**2011**
Increase in net assets	$ 21,761	$ 11,367
Changes in operating assets and liabilities:		
Pledge receiveable	(7,500)	-
Accrued liabilities	434	(15)
Net cash provided by operating activities	14,695	11,352
Net increase in cash and cash equivalents	14,695	11,352
Cash at beginning of year	11,502	150
Cash at end of year	$ 26,197	$ 11,502

Supplemental schedule of noncash operating activities:

	2012	2011
In-kind contributions of labor and materials for construction	$ 6,870	$ 3,390
In-kind contributions of supplies & various costs for special event	9,187	-
In-kind contributions of accounting services	9,360	9,360
	$ 25,417	$ 9,360

See Independent Accountant's Review Report

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Tucker's House (the Organization), a Tennessee not-for-profit organization, partners with the families of children with disabilities by navigating the complex path from diagnosis to home, providing retrofitting resources so that their houses can become "home". The Organization started its operations in 2010 and its vision is that all families that have children with disabilities have access to the resources that can help meet their specific immediate, intermediate and long term needs that make their home a place that is not only accessible and safe, but where they can carry out their necessary daily therapy so every child can reach their full potential.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 restrictions that may or will be met, either by actions of the Organization and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted. When a restriction expires in a period after the contributions are received, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
>
> Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned and any related investments for general or specific purposes.

The amount for each of these classes of net assets is displayed in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities. There were no temporarily or permanently restricted net assets as of December 31, 2012 or as of December 31, 2011.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. At December 31, 2012 and at December 31, 2011, the Organization had no cash equivalents.

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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-restricted contributions 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.

Pledges Receivable

Pledges receivable are recorded at their estimated fair value with pledges collectible over more than a year recognized at their expected discounted cash flow. Pledges receivable are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the pledge is received. At December 31, 2012 and at December 31, 2011, the Organization had no conditional promises to give. Pledges receivable recorded at December 31, 2012 are unconditional promises to give and collectible in less than one year.

The Organization considers pledges receivable to be fully collectible at December 31, 2012. Accordingly, no allowance for doubtful accounts has been recorded.

Expense Allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services based on actual or estimated time employees spend on each function.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates

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

Income Taxes

The Organization is a nonprofit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and the Organization is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

Financial Instruments

Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 2 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments - continued

The Organization's financial instruments consist of pledges receivable, and accrued liabilities. The recorded values of all the Organization's financial instruments approximate their fair values based on their short-term nature. While the Organization believes its valuation methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

NOTE 2 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of contributions received from the Organization's Board of Directors for the year ending December 31, 2011. Contributions from the Organization's Board of Directors represented 60% of the total revenue for the year ending December 31, 2011. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization's programs and activities. No such concentration of credit risk existed for the year ending December 31, 2012.

NOTE 3 – DONATED SERVICES, MATERIALS AND SUPPLIES

A board member donated accounting services to the Organization in the amount of $9,360 for each of the years ending December 31, 2012 and December 31, 2011. Construction firms and contractors donated labor and materials for retrofitting homes in the amount of $6,870 and $3,390 for years ending December 31, 2012 and December 31, 2011, respectively. Also, supplies and other costs incurred for the Organization's special event, Playhouse Tour of Homes, in the amount of $9,187 were donated for year ending December 31, 2012.

These donated services, labor, material and other costs are reflected as contributions in the statements of activities at its fair value at the date of receipt. The value of donated accounting services and labor and materials for the years ended December 31, 2012 and December 31, 2011 are included in the statement of activities as accounting expense and program costs, respectively. The value of donated supplies and other costs for the special event for the year ended December 31, 2012 is included in the statement of activities as special event expenses.

NOTE 4 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through January 4, 2013, the issuance of the Organization's financial statements.