

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2012 and 2011

Report

of

Examination

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PARSONS AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

234 4th Avenue North

P. O. BOX 604

FRANKLIN, TENNESSEE 37065

TELEPHONE # 615-794-4313

FAX # 615-595-2297

DAN H. PARSONS, CPA
PATRICIA L. PARSONS, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

January 3, 2013

BRIDGES of Williamson County
Franklin, Tennessee

We have audited the accompanying statements of financial position of BRIDGES of Williamson County (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities 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 audit.

We conducted our audit 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 audit provides 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 BRIDGES of Williamson County as of June 30, 2012 and 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.


Parsons and Associates

BRIDGES of Williamson County
Statement of Financial Position
June 30

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
Cash	\$ 121,952	\$ 60,533
Prepaid expenses	3,838	4,267
Grants receivable	7,537	9,612
<u>Total Current Assets</u>	<u>133,327</u>	<u>74,412</u>
 <u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	834,435	828,100
 <u>Total Assets</u>	 <u>\$ 967,762</u>	 <u>\$ 902,512</u>

LIABILITIES

<u>Current Liabilities</u>		
Accounts payable	\$ 1,040	\$ 1,092
Payroll liabilities	313	613
Deferred revenue	21,245	9,691
<u>Total Current Liabilities</u>	<u>22,598</u>	<u>11,396</u>
 <u>Long-Term Obligations (due beyond one year)</u>		
Mortgage - building	26,275	26,275
 <u>Total Liabilities</u>	 <u>48,873</u>	 <u>37,671</u>

NET ASSETS

<u>Unrestricted Net Assets</u>	918,889	864,841
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 967,762</u>	 <u>\$ 902,512</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Activities
Year Ended June 30

	<u>2012</u>	<u>2011</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
<u>Support and Other Revenues</u>		
Contributions	\$ 400,797	\$ 275,583
Government grants	123,008	153,288
Fund raiser	108,311	85,825
In-kind contributions	16,300	17,300
Interest income	75	759
Other	136	0
<u>Total Support and Other Revenues</u>	<u>648,627</u>	<u>532,755</u>
<u>Expenses</u>		
Program services	492,885	480,377
Management and general	67,705	73,557
Fundraising	33,989	33,520
<u>Total Expenses</u>	<u>594,579</u>	<u>587,454</u>
<u>Change in Net Assets</u>	54,048	(54,699)
Net Assets - July 1	864,841	919,540
Net Assets - June 30	\$ <u>918,889</u>	\$ <u>864,841</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Cash Flows
Year Ended June 30

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 413,367	\$ 275,583
Grants and reimbursements	125,083	148,178
Fund raiser	107,295	93,016
Interest income	75	759
Other receipts	136	0
Cash paid for expenses	(143,431)	(164,625)
Cash paid for payroll and benefits	(403,202)	(377,615)
Net cash provided by operating activities	<u>99,323</u>	<u>(24,704)</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(37,904)</u>	<u>(8,178)</u>
<u>Cash flows from financing activities</u>		
Loan payments	<u>0</u>	<u>(103,725)</u>
Increase (decrease) in cash	61,419	(136,607)
Cash - July 1	60,533	197,140
Cash - June 30	\$ <u>121,952</u>	\$ <u>60,533</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

BRIDGES of Williamson County was incorporated October 1998, in accordance with the Tennessee General Corporation Act. Its primary purpose is to serve area women, men and children affected by domestic violence ensuring a safe transition to successful independent community living through education, intervention, and case management.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For Profit Organizations. Under SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization had no temporarily restricted net assets at June 30, 2012 and 2011.

Permanently Restricted Net Assets

Net assets subject to imposed stipulations that they be maintained permanently by the Organization. Generally, these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2012 and 2011.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of thirteen months or less to be cash equivalents.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2012 and 2011

Income Tax Status

BRIDGES of Williamson County qualifies as a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, therefore, has no provisions for federal income taxes. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a)(1).

Concentration of Contribution

The Organization received approximately 19% of its cash contributions from various local governments in 2012 and 29% in 2011.

Deferred Revenue

Income from fundraising events is deferred and recognized in the period in which it relates. The Organization allocates certain annual grants on a yearly basis, deferring the revenue for months after June.

NOTE 2 - DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

NOTE 3 - DONATED SUPPLIES AND EQUIPMENT

Donations of supplies and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2012 and 2011

NOTE 4 - PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

	<u>2012</u>	<u>2011</u>
Building and improvements	\$ 975,518	\$ 938,926
Equipment and furniture	74,099	72,786
Accumulated depreciation	(215,182)	(183,612)
	\$ <u>834,435</u>	\$ <u>828,100</u>

NOTE 5 - ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 6 - DEBT

The Organization has an interest only note that is payable to an individual on an annual basis. The note is secured by a lien of deed of trust with an interest rate which is adjustable annually on the anniversary date of the obligation with a current interest rate of 4.75%. The principal balance is payable in full on August 18, 2019 with no prepayment penalties after the first year.

Mortgage payable - June 30, 2012	\$ 26,275
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NOTE 7 - INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2012 and 2011.

	2012			2011		
	Program Services	Management and General	Fund-raising	Program Services	Management and General	Fund-raising
Program services	\$ 34,784			\$ 41,786		
Insurance	16,839	1,871		16,498	1,833	
Fund raiser expenses			29,960			29,742
Occupancy expense	4,961			4,315		
Interest	1,196			1,864		
Small equipment purchases		2,220			3,894	
Maintenance and repairs	8,805	304		9,783	1,209	
Office expense and supplies	3,192	1,572		4,359	2,179	
Publications and printing		4,974			7,549	
Mileage, parking, travel	2,243	2,243		2,961	2,960	
Telephone, utilities	30,344	7,586		29,913	7,478	
Conferences and meetings	625	1,437			2,555	
Payroll and benefits	358,583	40,290	4,029	336,217	37,777	3,778
Professional fees		1,900		3,184	277	
Dues and subscriptions	500	2,113			3,542	
Other		438		168	231	
Depreciation	30,813	757		29,329	2,073	
Total	\$ 492,885	\$ 67,705	\$ 33,989	\$ 480,377	\$ 73,557	\$ 33,520
			\$ 594,579			\$ 587,454

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