

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2011 and 2010

Report

of

Examination

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INDEPENDENT AUDITOR'S REPORT

January 11, 2012

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, 2011 and 2010, 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, 2011 and 2010, 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 schedules on pages 8 and 9 are presented for purposes of additional analysis and are 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
Parsons and Associates

BRIDGES of Williamson County
Statement of Financial Position
June 30

ASSETS

	<u>2011</u>	<u>2010</u>
<u>Current Assets</u>		
Cash	\$ 60,533	\$ 197,140
Prepaid expenses	4,267	4,934
Grants receivable	<u>9,612</u>	<u>4,501</u>
<u>Total Current Assets</u>	<u>74,412</u>	<u>206,575</u>
 <u>Property and Equipment</u> (at cost)		
Property and equipment (net of depreciation)	828,100	851,325
 <u>Total Assets</u>	 \$ <u>902,512</u>	 \$ <u>1,057,900</u>

LIABILITIES

<u>Current Liabilities</u>		
Accounts payable	\$ 1,092	\$ 5,404
Payroll liabilities	613	456
Deferred revenue	<u>9,691</u>	<u>2,500</u>
<u>Total Current Liabilities</u>	<u>11,396</u>	<u>8,360</u>
 <u>Long-Term Obligations</u> (due beyond one year)		
Mortgage - building	26,275	130,000
 <u>Total Liabilities</u>	 <u>37,671</u>	 <u>138,360</u>

NET ASSETS

<u>Unrestricted Net Assets</u>	864,841	919,540
 <u>Total Liabilities and Net Assets</u>	 \$ <u>902,512</u>	 \$ <u>1,057,900</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Activities
Year Ended June 30

	<u>2011</u>	<u>2010</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
<u>Support and Other Revenues</u>		
Contributions	\$ 275,583	\$ 350,784
Government grants	153,288	154,873
Fund raiser	85,825	85,755
In-kind contributions	17,300	27,700
Interest income	759	963
Other	0	730
<u>Total Support and Other Revenues</u>	<u>532,755</u>	<u>620,805</u>
<u>Expenses</u>		
Program services	480,377	488,157
Management and general	73,557	63,659
Fundraising	33,520	35,105
<u>Total Expenses</u>	<u>587,454</u>	<u>586,921</u>
<u>Change in Net Assets</u>	(54,699)	33,884
Net Assets - July 1	919,540	885,656
Net Assets - June 30	\$ <u>864,841</u>	\$ <u>919,540</u>

See accompanying notes and accountant's report.

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

	<u>2011</u>	<u>2010</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 275,583	\$ 350,784
Grants and reimbursements	148,178	152,860
Fund raiser	93,016	73,800
Interest income	759	1,131
Other receipts	0	730
Cash paid for expenses	(164,625)	(148,817)
Cash paid for payroll and benefits	(377,615)	(374,219)
Net cash provided by operating activities	<u>(24,704)</u>	<u>56,269</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(8,178)</u>	<u>(117,322)</u>
<u>Cash flows from financing activities</u>		
Funds provided by mortgage	0	130,000
Loan payments - mortgage	(103,725)	0
Net cash provided (used) by financing activities	<u>(103,725)</u>	<u>130,000</u>
Increase (decrease) in cash	(136,607)	68,947
Cash - July 1	197,140	128,193
Cash - June 30	\$ <u>60,533</u>	\$ <u>197,140</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2011 and 2010

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, 2011 and 2010.

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, 2011 and 2010.

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, 2011 and 2010

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 29% of its cash contributions from various local governments in 2011 and 25% in 2010.

Deferred Revenue

Income from fundraising events is deferred and recognized in the period in which it relates.

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, 2011 and 2010

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>2011</u>	<u>2010</u>
Building and improvements	\$ 938,926	\$ 933,203
Equipment and furniture	72,786	70,332
Accumulated depreciation	(183,612)	(152,210)
	<u>\$ 828,100</u>	<u>\$ 851,325</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, 2011	\$ 26,275
Mortgage payable - June 30, 2010	\$ 130,000

	2011			2010		
	Program Services	Management and General	Fund- raising	Program Services	Management and General	Fund- raising
	<u>Total</u>			<u>Total</u>		
Program services	\$ 41,786		\$ 41,786	\$ 35,476		\$ 35,476
Insurance	16,498	1,833	18,331	13,221	1,381	14,602
Fund raiser expenses						31,369
Occupancy expense	4,315		29,742	8,820		8,820
Interest	1,864		4,315	5,403		5,403
Small equipment purchases		3,894	1,864		109	109
Maintenance and repairs	9,783	1,209	3,894	7,908	1,011	8,919
Office expense and supplies	4,359	2,179	10,992	4,346	2,141	6,487
Publications and printing		7,549	6,538		3,162	3,162
Mileage, parking, travel	2,961	2,960	7,549	2,438	2,437	4,875
Telephone, utilities	29,913	7,478	5,921	28,241	6,912	35,153
Conferences and meetings		2,555	37,391		2,252	2,252
Payroll and benefits	336,217	37,777	2,555	332,470	37,356	373,562
Professional fees	3,184	277	377,772	20,778	1,810	22,588
Dues and subscriptions		3,542	3,461		2,516	2,516
Other	168	231	3,542	393	546	939
Depreciation	29,329		399			
		2,073	31,402		2,026	30,689
Total	\$ 480,377	\$ 73,557	\$ 587,454	\$ 488,157	\$ 63,659	\$ 586,921
		\$ 33,520			\$ 35,105	

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BRIDGES of Williamson County
Schedule of Receipts and Expenditures - Actual to Budget
Year Ended June 30

	<u>2011</u>			<u>2010</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Receipts</u>						
Contributions	\$ 282,919	\$ 268,464	\$ 14,455	\$ 350,784	\$ 256,398	\$ 94,386
Contributions - capital campaign	9,964	2,500	7,464	0	0	0
Grants and reimbursements	153,288	155,976	(2,688)	154,873	155,328	(455)
Fund raiser	85,825	85,000	825	85,755	57,000	28,755
Interest income	759	892	(133)	963	2,500	(1,537)
Other	0	0	0	730	0	730
<u>Total Receipts</u>	<u>532,755</u>	<u>512,832</u>	<u>19,923</u>	<u>593,105</u>	<u>471,226</u>	<u>121,879</u>
<u>Expenditures</u>						
Program services	41,786	25,412	(16,374)	7,776	7,500	(276)
Insurance	18,331	16,870	(1,461)	14,602	17,000	2,398
Fund raiser expenses	29,742	24,298	(5,444)	31,369	15,000	(16,369)
Occupancy expense	4,315	4,000	(315)	8,820	4,000	(4,820)
Office expense and supplies	6,538	7,000	462	6,487	7,000	513
Interest expense	1,864	0	(1,864)	5,403	0	(5,403)
Publications and printing	7,549	5,000	(2,549)	3,162	6,500	3,338
Mileage, parking, travel	5,921	4,800	(1,121)	4,875	4,000	(875)
Telephone and utilities	37,391	32,000	(5,391)	35,153	34,400	(753)
Equipment rental and maintenance	10,992	14,200	3,208	8,919	2,004	(6,915)
Equipment	3,894	300	(3,594)	109	400	291
Conferences and meetings	2,555	3,000	445	2,252	4,000	1,748
Payroll and benefits	377,772	370,602	(7,170)	373,562	361,733	(11,829)
Professional fees	3,461	1,800	(1,661)	22,588	24,724	2,136
Dues and subscriptions	3,542	3,800	258	2,516	3,600	1,084
Other	399	200	(199)	939	1,000	61
<u>Total Expenditures</u>	<u>556,052</u>	<u>513,282</u>	<u>(42,770)</u>	<u>528,532</u>	<u>492,861</u>	<u>(35,671)</u>
<u>Receipts over (under) expenditures</u>	<u>\$ (23,297)</u>	<u>\$ (450)</u>	<u>\$ (22,847)</u>	<u>\$ 64,573</u>	<u>\$ (21,635)</u>	<u>\$ 86,208</u>

See accompanying notes and accountant's report.