

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2005 and 2004

Report

of

Examination

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INDEPENDENT AUDITOR'S REPORT

December 20, 2005

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, 2005 and 2004, 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, 2005 and 2004, 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

BRIDGES of Williamson County
Statement of Financial Position
June 30

ASSETS

	<u>2005</u>	<u>2004</u>
<u>Current Assets</u>		
Cash	\$ 157,609	\$ 228,319
Prepaid expenses	6,055	3,789
Grants receivable	0	1,828
<u>Total Current Assets</u>	<u>163,664</u>	<u>233,936</u>
 <u>Property and Equipment</u> (at cost)		
Property and equipment (net of depreciation)	<u>807,745</u>	<u>18,947</u>
 <u>Total Assets</u>	 <u>\$ 971,409</u>	 <u>\$ 252,883</u>

LIABILITIES

<u>Current Liabilities</u>		
Accounts payable	\$ 0	\$ 474
Payroll liabilities	172	293
Deferred revenue	0	10,000
<u>Total Current Liabilities</u>	<u>172</u>	<u>10,767</u>
 <u>Long-term Obligations</u> (due beyond one year)		
Mortgage payable	350,000	0
 <u>Total Liabilities</u>	 <u>350,172</u>	 <u>10,767</u>

NET ASSETS

<u>Unrestricted Net Assets</u>	510,314	38,797
<u>Temporarily Restricted Net Assets</u>	<u>110,923</u>	<u>203,319</u>
<u>Total Net Assets</u>	<u>621,237</u>	<u>242,116</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 971,409</u>	 <u>\$ 252,883</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Activities
Year Ended June 30

	<u>2005</u>		<u>2004</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
<u>Support and Other Revenues</u>				
Contributions	\$ 208,045	\$ 114,483	\$ 140,763	\$ 43,374
Government grants	80,875	164,500	82,416	
Fund raiser	45,024		44,063	113,451
In-kind contributions	75,764		22,393	
Interest income	959	18		110
Other		3,100		
Net assets released from restrictions	<u>374,497</u>	<u>(374,497)</u>	<u>15,660</u>	<u>(15,660)</u>
<u>Total Support and Other Revenues</u>	<u>785,164</u>	<u>(92,396)</u>	<u>305,295</u>	<u>141,275</u>
<u>Expenses</u>				
Program services	244,858		223,843	
Management and general	44,908		39,023	
Fundraising	<u>23,881</u>		<u>35,553</u>	
<u>Total Expenses</u>	<u>313,647</u>		<u>298,419</u>	
<u>Change in Net Assets</u>	471,517	(92,396)	6,876	141,275
Net Assets - July 1	38,797	203,319	31,921	62,044
Net Assets - June 30	\$ <u>510,314</u>	\$ <u>110,923</u>	\$ <u>38,797</u>	\$ <u>203,319</u>

See accompanying notes and accountant's report.

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

	<u>2005</u>	<u>2004</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 312,528	\$ 184,099
Grants and reimbursements	247,203	85,210
Fund raiser	45,024	167,514
Interest income	977	110
Other receipts	3,100	0
Cash paid for expenses	(95,506)	(94,039)
Cash paid for payroll and benefits	(204,353)	(184,111)
Net cash provided by operating activities	<u>308,973</u>	<u>158,783</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(729,683)</u>	<u>0</u>
<u>Cash flows form financing activities</u>		
Mortgage on property	<u>350,000</u>	<u>0</u>
Increase in cash	(70,710)	158,783
Cash - July 1	228,319	69,536
Cash - June 30	\$ <u>157,609</u>	\$ <u>228,319</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2005 and 2004

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 women and children traumatized by domestic violence or other life crisis, ensuring 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.

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, 2005 and 2004.

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 six months or less to be cash equivalents.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2005 and 2004

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 35% of its cash contributions from various local governments in 2005 and 19% in 2004.

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.

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

	2005	2004
Capital campaign	\$ <u>110,923</u>	\$ <u>203,281</u>

NOTE 5 - 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.

	2005	2004
Building and improvements	\$ 766,653	\$ 7,904
Equipment and furniture	53,569	19,335
Accumulated depreciation	(12,477)	(8,292)
	\$ <u>807,745</u>	\$ <u>18,947</u>

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2005 and 2004

NOTE 6 - 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 7 - MORTGAGE PAYABLE

The Organization purchased real property which is collateral for a mortgage of \$350,000. The mortgage is payable in full on November 8, 2006. The interest rate is variable and is .50 percentage points below the lender's base commercial rate.

BRIDGES of Williamson County
Schedule of Functional Expenses
Year Ended June 30

	2005			2004		
	Program Services	Management and General	Fund- raising	Total	Program Services	Management and General
Program services	\$ 11,246	\$	\$	\$ 11,246	\$ 16,026	\$
Insurance	8,210	1,393		9,603	2,873	
Fund raiser expenses			19,316	19,316		26,169
Occupancy expense	11,676			11,676	12,539	
Rent - office	2,412	2,412		4,824	2,407	
Small equipment purchases	316			316		
Maintenance and repairs	488			488	1,782	
Office expense and supplies	3,632	5,901		9,533	445	
Contract labor	1,138			1,138	4,065	291
Publications and printing		1,906	480	2,386	1,717	1,176
Mileage, parking, travel	4,099	1,366		5,465	2,220	
Telephone, utilities	16,363			16,363	14,829	
Conferences and meetings		1,436		1,436	1,783	
Payroll and benefits	179,724	20,423	4,085	204,232	156,433	4,164
Professional fees	2,460	1,936		4,396	3,645	3,579
Dues and subscriptions	825	1,518		2,343	300	
Other	1,344			1,344	709	174
Taxes and licenses		3,357		3,357		
Depreciation	925	3,260		4,185	1,130	3,055
Total	\$ 244,858	\$ 44,908	\$ 23,881	\$ 313,647	\$ 223,843	\$ 39,023
						\$ 35,553
						\$ 4,185
						\$ 298,419

See accompanying notes and accountant's report.

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

	2005			2004		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Receipts</u>						
Contributions	\$ 210,055	\$ 145,490	\$ 64,565	\$ 184,099	\$ 137,800	\$ 46,299
Contributions - capital campaign	276,973	0	276,973	0	0	0
Grants and reimbursements	80,875	84,700	(3,825)	82,416	93,762	(11,346)
Fund raiser	45,024	43,500	1,524	157,514	30,000	127,514
Interest income	977	0	977	110	0	110
Other	3,100	0	3,100	0	0	0
<u>Total Receipts</u>	<u>617,004</u>	<u>273,690</u>	<u>343,314</u>	<u>424,139</u>	<u>261,562</u>	<u>162,577</u>
<u>Expenditures</u>						
Program services	5,006	3,900	(1,106)	3,106	3,900	794
Insurance	9,603	11,500	1,897	3,806	7,210	3,404
Fund raiser expenses	19,316	14,500	(4,816)	26,169	13,000	(13,169)
Occupancy expense	11,676	12,652	976	11,839	13,000	1,161
Office expense and supplies	9,533	7,500	(2,033)	5,437	4,000	(1,437)
Contract labor	1,138	0	(1,138)	0	0	0
Postage	0	0	0	526	0	(526)
Publications and printing	2,386	2,000	(386)	2,893	1,500	(1,393)
Mileage, parking, travel	5,465	8,000	2,535	8,879	7,300	(1,579)
Telephone and utilities	14,963	28,048	13,085	10,869	10,000	(869)
Equipment rental and maintenance	488	500	12	445	500	55
Equipment	316	1,000	684	1,782	1,000	(782)
Conferences and meetings	1,436	3,500	2,064	2,830	3,200	370
Payroll and benefits	204,232	198,050	(6,182)	184,997	202,040	17,043
Professional fees	4,396	6,600	2,204	5,218	5,450	232
Dues and subscriptions	2,343	2,000	(343)	2,161	1,900	(261)
Other	1,344	1,250	(94)	883	1,000	117
Taxes and licenses	3,357	0	(3,357)	0	0	0
<u>Total Expenditures</u>	<u>296,998</u>	<u>301,000</u>	<u>4,002</u>	<u>271,840</u>	<u>275,000</u>	<u>3,160</u>
<u>Receipts over (under) expenditures</u>	<u>\$ 320,006</u>	<u>\$ (27,310)</u>	<u>\$ 347,316</u>	<u>\$ 152,299</u>	<u>\$ (13,438)</u>	<u>\$ 165,737</u>

See accompanying notes and accountant's report.