

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2006 and 2005

Report
of
Examination

C O N T E N T S

	<u>Pages</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7
Schedule of Functional Expenses	8
Schedule of Receipts and Expenditures - Actual to Budget	9

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INDEPENDENT AUDITOR'S REPORT

December 15, 2006

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, 2006 and 2005, 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, 2006 and 2005, 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>2006</u>	<u>2005</u>
<u>Current Assets</u>		
Cash	\$ 160,260	\$ 157,609
Prepaid expenses	3,098	6,055
Grants receivable	13,937	0
<u>Total Current Assets</u>	<u>177,295</u>	<u>163,664</u>
 <u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	816,739	807,745
 <u>Total Assets</u>	 <u>\$ 994,034</u>	 <u>\$ 971,409</u>

LIABILITIES

<u>Current Liabilities</u>		
Mortgage payable	\$ 163,921	\$ 0
Payroll liabilities	120	172
Deferred revenue	4,000	0
<u>Total Current Liabilities</u>	<u>168,041</u>	<u>172</u>
 <u>Long-term Obligations (due beyond one year)</u>		
Mortgage payable	0	350,000
 <u>Total Liabilities</u>	 <u>168,041</u>	 <u>350,172</u>

NET ASSETS

<u>Unrestricted Net Assets</u>	760,717	510,314
<u>Temporarily Restricted Net Assets</u>	65,276	110,923
<u>Total Net Assets</u>	<u>825,993</u>	<u>621,237</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 994,034</u>	 <u>\$ 971,409</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Activities
Year Ended June 30

	2006		2005	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<u>Support and Other Revenues</u>				
Contributions	\$ 234,170	\$ 45,091	\$ 208,045	\$ 114,483
Government grants	119,071	164,500	80,875	164,500
Fund raiser	40,597	20,000	45,024	
In-kind contributions	34,780		75,764	
Interest income	1,197	1,718	959	18
Other		42		3,100
Net assets released from restrictions	<u>276,998</u>	<u>(276,998)</u>	<u>374,497</u>	<u>(374,497)</u>
<u>Total Support and Other Revenues</u>	<u>706,813</u>	<u>(45,647)</u>	<u>785,164</u>	<u>(92,396)</u>
<u>Expenses</u>				
Program services	368,774		244,858	
Management and general	66,972		44,908	
Fundraising	<u>20,664</u>		<u>23,881</u>	
<u>Total Expenses</u>	<u>456,410</u>		<u>313,647</u>	
<u>Change in Net Assets</u>	250,403	(45,647)	471,517	(92,396)
Net Assets - July 1	510,314	110,923	38,797	203,319
Net Assets - June 30	\$ <u>760,717</u>	\$ <u>65,276</u>	\$ <u>510,314</u>	\$ <u>110,923</u>

See accompanying notes and accountant's report.

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

	<u>2006</u>	<u>2005</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 279,261	\$ 312,528
Grants and reimbursements	269,634	247,203
Fund raiser	64,597	45,024
Interest income	2,916	977
Other receipts	42	3,100
Cash paid for expenses	(148,378)	(95,506)
Cash paid for payroll and benefits	(236,630)	(204,353)
Net cash provided by operating activities	<u>231,442</u>	<u>308,973</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	(42,712)	(729,683)
<u>Cash flows form financing activities</u>		
Mortgage on property	0	350,000
Payments on mortgage	(186,079)	<u>0</u>
Net cash (used) provided by financing activities	<u>(186,079)</u>	<u>350,000</u>
Increase (decrease) in cash	2,651	(70,710)
Cash - July 1	157,609	228,319
Cash - June 30	\$ <u>160,260</u>	\$ <u>157,609</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2006 and 2005

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, 2006 and 2005.

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 twelve months or less to be cash equivalents.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2006 and 2005

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 43% of its cash contributions from various local governments in 2006 and 35% in 2005.

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

	<u>2006</u>	<u>2005</u>
Capital campaign	\$ <u>65,276</u>	\$ <u>110,923</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.

	<u>2006</u>	<u>2005</u>
Building and improvements	\$ 786,936	\$ 766,653
Equipment and furniture	67,143	53,569
Accumulated depreciation	(37,340)	(12,477)
	\$ <u>816,739</u>	\$ <u>807,745</u>

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2006 and 2005

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. The amount due as of June 30, 2006 is \$163,921.

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

	2006				2005			
	Program Services	Management and General	Fund- raising	Total	Program Services	Management and General	Fund- raising	Total
Program services	\$ 31,011	\$	\$	\$ 31,011	\$ 11,246	\$	\$	\$ 11,246
Insurance	12,210	2,155		14,365	8,210	1,393		9,603
Fund raiser expenses			14,298	14,298			19,316	19,316
Occupancy expense	9,166	1,499		10,665	11,676			11,676
Rent - office	4,824			4,824	2,412	2,412		4,824
Interest	17,511			17,511				
Small equipment purchases		2,036		2,036	316			316
Maintenance and repairs	26,989	846		27,835	488			488
Office expense and supplies	5,679	1,175	817	7,671	3,632	5,901		9,533
Contract labor				0	1,138			1,138
Publications and printing		4,574	817	5,391		1,906	480	2,386
Mileage, parking, travel		4,007		4,007	4,099	1,366		5,465
Telephone, utilities	25,134	8,691		33,825	16,363			16,363
Conferences and meetings		3,538		3,538		1,436		1,436
Payroll and benefits	208,188	23,658	4,732	236,578	179,724	20,423	4,085	204,232
Professional fees	3,907	1,731		5,638	2,460	1,936		4,396
Dues and subscriptions		2,455		2,455	825	1,518		2,343
Other		6,372		6,372	1,344			1,344
Taxes and licenses		325		325		3,357		3,357
Depreciation	24,155	3,910		28,065	925	3,260		4,185
<u>Total</u>	<u>\$ 368,774</u>	<u>\$ 66,972</u>	<u>\$ 20,664</u>	<u>\$ 456,410</u>	<u>\$ 244,858</u>	<u>\$ 44,908</u>	<u>\$ 23,881</u>	<u>\$ 313,647</u>

See accompanying notes and accountant's report.

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

	2006			2005		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Receipts</u>						
Contributions	\$ 234,170	\$ 187,195	\$ 46,975	\$ 210,055	\$ 145,490	\$ 64,565
Contributions - capital campaign	209,591	0	209,591	276,973	0	276,973
Grants and reimbursements	119,071	113,400	5,671	80,875	84,700	(3,825)
Fund raiser	60,597	39,000	21,597	45,024	43,500	1,524
Interest income	2,915	1,000	1,915	977	0	977
Other	42	0	42	3,100	0	3,100
<u>Total Receipts</u>	<u>626,386</u>	<u>340,595</u>	<u>285,791</u>	<u>617,004</u>	<u>273,690</u>	<u>343,314</u>
<u>Expenditures</u>						
Program services	2,651	3,900	1,249	5,006	3,900	(1,106)
Insurance	14,365	13,700	(665)	9,603	11,500	1,897
Fund raiser expenses	14,298	14,500	202	19,316	14,500	(4,816)
Occupancy expense	10,665	5,200	(5,465)	11,676	12,652	976
Office expense and supplies	7,671	5,200	(2,471)	9,533	7,500	(2,033)
Contract labor	0	0	0	1,138	0	(1,138)
Interest expense	17,511	0	(17,511)	0	0	0
Publications and printing	5,391	3,000	(2,391)	2,386	2,000	(386)
Mileage, parking, travel	4,007	4,000	(7)	5,465	8,000	2,535
Telephone and utilities	33,825	37,525	3,700	14,963	28,048	13,085
Equipment rental and maintenance	27,835	500	(27,335)	488	500	12
Equipment	2,036	6,700	4,664	316	1,000	684
Conferences and meetings	3,538	3,000	(538)	1,436	3,500	2,064
Payroll and benefits	236,578	235,090	(1,488)	204,232	198,050	(6,182)
Professional fees	5,638	4,500	(1,138)	4,396	6,600	2,204
Dues and subscriptions	2,455	2,880	425	2,343	2,000	(343)
Other	719	900	181	1,344	1,250	(94)
Taxes and licenses	325	0	(325)	3,357	0	(3,357)
<u>Total Expenditures</u>	<u>389,508</u>	<u>340,595</u>	<u>(48,913)</u>	<u>296,998</u>	<u>301,000</u>	<u>4,002</u>
<u>Receipts over (under) expenditures</u>	<u>\$ 236,878</u>	<u>\$ 0</u>	<u>\$ 236,878</u>	<u>\$ 320,006</u>	<u>\$ (27,310)</u>	<u>\$ 347,316</u>

See accompanying notes and accountant's report.