

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2007 and 2006

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 20, 2007

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, 2007 and 2006, 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, 2007 and 2006, 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>2007</u>	<u>2006</u>
<u>Current Assets</u>		
Cash	\$ 179,286	\$ 160,260
Prepaid expenses	3,858	3,098
Grants receivable	9,299	13,937
<u>Total Current Assets</u>	<u>192,443</u>	<u>177,295</u>
 <u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	791,119	816,739
 <u>Total Assets</u>	 <u>\$ 983,562</u>	 <u>\$ 994,034</u>

LIABILITIES

<u>Current Liabilities</u>		
Accounts payable	\$ 540	\$ 0
Mortgage payable	79,602	163,921
Payroll liabilities	107	120
Deferred revenue	0	4,000
<u>Total Current Liabilities</u>	<u>80,249</u>	<u>168,041</u>
 <u>Total Liabilities</u>	 <u>80,249</u>	 <u>168,041</u>

NET ASSETS

<u>Unrestricted Net Assets</u>	861,049	760,717
<u>Temporarily Restricted Net Assets</u>	42,264	65,276
<u>Total Net Assets</u>	<u>903,313</u>	<u>825,993</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 983,562</u>	 <u>\$ 994,034</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County  
Statement of Activities  
Year Ended June 30

	2007		2006	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<u>Support and Other Revenues</u>				
Contributions	\$ 257,665	\$ 21,328	\$ 234,170	\$ 45,091
Government grants	118,446	39,500	119,071	164,500
Fund raiser	43,084	27,174	40,597	20,000
In-kind contributions	34,312		34,780	
Interest income	4,378	3,132	1,197	1,718
Other		980		42
Net assets released from restrictions	<u>115,126</u>	<u>(115,126)</u>	<u>276,998</u>	<u>(276,998)</u>
<u>Total Support and Other Revenues</u>	<u>573,011</u>	<u>( 23,012)</u>	<u>706,813</u>	<u>( 45,647)</u>
<u>Expenses</u>				
Program services	390,455		368,774	
Management and general	63,383		66,972	
Fundraising	<u>18,841</u>		<u>20,664</u>	
<u>Total Expenses</u>	<u>472,679</u>		<u>456,410</u>	
<u>Change in Net Assets</u>	100,332	( 23,012)	250,403	( 45,647)
Net Assets - July 1	760,717	65,276	510,314	110,923
Net Assets - June 30	<u>\$ 861,049</u>	<u>\$ 42,264</u>	<u>\$ 760,717</u>	<u>\$ 65,276</u>

See accompanying notes and accountant's report.

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

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 278,993	\$ 279,261
Grants and reimbursements	162,584	269,634
Fund raiser	66,258	64,597
Interest income	7,510	2,916
Other receipts	980	42
Cash paid for expenses	(154,015)	(148,378)
Cash paid for payroll and benefits	(255,777)	(236,630)
Net cash provided by operating activities	<u>106,533</u>	<u>231,442</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	( 3,188)	( 42,712)
<u>Cash flows form financing activities</u>		
Payments on mortgage	( 84,319)	(186,079)
Increase (decrease) in cash	19,026	2,651
Cash - July 1	160,260	157,609
Cash - June 30	\$ <u>179,286</u>	\$ <u>160,260</u>

See accompanying notes and accountant's report.

**BRIDGES of Williamson County**  
**Notes to Financial Statements**  
**June 30, 2007 and 2006**

**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, 2007 and 2006

**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, 2007 and 2006

**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 31% of its cash contributions from various local governments in 2007 and 43% in 2006.

**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>2007</u>	<u>2006</u>
Capital campaign	\$ 39,746	\$ 65,276

**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>2007</u>	<u>2006</u>
Building and improvements	\$ 786,936	\$ 786,936
Equipment and furniture	70,332	67,143
Accumulated depreciation	( 66,149)	( 37,340)
	\$ 791,119	\$ 816,739

BRIDGES of Williamson County  
Notes to Financial Statements  
June 30, 2007 and 2006

**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 interest rate is variable and is .50 percentage points below the lender's base commercial rate. The amount due as of June 30, 2007 is \$79,602 and at June 30, 2006 was \$163,921.

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

2007

2006

	Program <u>Services</u>	Management <u>and General</u>	Fund- <u>raising</u>	<u>Total</u>	Program <u>Services</u>	Management <u>and General</u>	Fund- <u>raising</u>	<u>Total</u>
Program services	\$ 36,014	\$	\$	\$ 36,014	\$ 31,011	\$	\$	\$ 31,011
Insurance	10,441	1,103		11,544	12,210	2,155		14,365
Fund raiser expenses			13,726	13,726			14,298	14,298
Occupancy expense	15,052			15,052	9,166	1,499		10,665
Rent - office	4,812			4,812	4,824			4,824
Interest	8,085			8,085	17,511			17,511
Small equipment purchases	4,684	739		5,423		2,036		2,036
Maintenance and repairs	2,768	2,426		5,194	26,989	846		27,835
Office expense and supplies	7,027	308		7,335	5,679	1,175	817	7,671
Contract labor	2,279			2,279				0
Publications and printing		3,546		3,546		4,574	817	5,391
Mileage, parking, travel		4,337		4,337		4,007		4,007
Telephone, utilities	25,538	8,513		34,051	25,134	8,691		33,825
Conferences and meetings		5,178		5,178		3,538		3,538
Payroll and benefits	225,078	25,577	5,115	255,770	208,188	23,658	4,732	236,578
Professional fees	6,911	2,259		9,170	3,907	1,731		5,638
Nursing services	18,152			18,152				
Dues and subscriptions		3,476		3,476		2,455		2,455
Other		726		726		6,372		6,372
Taxes and licenses				0		325		325
Depreciation	23,614	5,195		28,809	24,155	3,910		28,065
<u>Total</u>	<u>\$ 390,455</u>	<u>\$ 63,383</u>	<u>\$ 18,841</u>	<u>\$ 472,679</u>	<u>\$ 368,774</u>	<u>\$ 66,972</u>	<u>\$ 20,664</u>	<u>\$ 456,410</u>

See accompanying notes and accountant's report.

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

	2007			2006		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Receipts</u>						
Contributions	\$ 257,665	\$ 232,205	\$ 25,460	\$ 234,170	\$ 187,195	\$ 46,975
Contributions - capital campaign	21,328	0	21,328	209,591	0	209,591
Grants and reimbursements	157,946	114,720	43,226	119,071	113,400	5,671
Fund raiser	70,258	43,500	26,758	60,597	39,000	21,597
Interest income	7,510	1,830	5,680	2,915	1,000	1,915
Other	0	0	0	42	0	42
<u>Total Receipts</u>	<u>514,707</u>	<u>392,255</u>	<u>122,452</u>	<u>626,386</u>	<u>340,595</u>	<u>285,791</u>
<u>Expenditures</u>						
Program services	6,514	5,000	( 1,514)	2,651	3,900	1,249
Insurance	11,544	14,000	2,456	14,365	13,700	( 665)
Fund raiser expenses	13,726	11,000	( 2,726)	14,298	14,500	202
Occupancy expense	15,052	5,100	( 9,952)	10,665	5,200	( 5,465)
Office expense and supplies	7,335	7,800	465	7,671	5,200	( 2,471)
Contract labor	2,279	0	( 2,279)	0	0	0
Interest expense	8,085	0	( 8,085)	17,511	0	( 17,511)
Publications and printing	3,546	3,000	( 546)	5,391	3,000	( 2,391)
Mileage, parking, travel	4,337	4,000	( 337)	4,007	4,000	( 7)
Telephone and utilities	34,051	41,025	6,974	33,825	37,525	3,700
Equipment rental and maintenance	5,194	1,000	( 4,194)	27,835	500	( 27,335)
Equipment	5,423	5,000	( 423)	2,036	6,700	4,664
Conferences and meetings	5,178	3,000	( 2,178)	3,538	3,000	( 538)
Payroll and benefits	255,770	260,910	5,140	236,578	235,090	( 1,488)
Professional fees	27,322	27,690	368	5,638	4,500	( 1,138)
Dues and subscriptions	3,476	2,880	( 596)	2,455	2,880	425
Other	726	850	124	719	900	181
Taxes and licenses	0	0	0	325	0	( 325)
<u>Total Expenditures</u>	<u>409,558</u>	<u>392,255</u>	<u>( 17,303)</u>	<u>389,508</u>	<u>340,595</u>	<u>( 48,913)</u>
<u>Receipts over (under) expenditures</u>	<u>\$ 105,149</u>	<u>\$ 0</u>	<u>\$ 105,149</u>	<u>\$ 236,878</u>	<u>\$ 0</u>	<u>\$ 236,878</u>

See accompanying notes and accountant's report.