

**BRIDGEVIEW COMMUNITY MENTAL
HEALTH CENTER
CLINTON, IOWA**

**FINANCIAL REPORT
June 30, 2008**

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Board of Directors

Name	Title	Term Expires
Randy Clegg	President	June 08
Tom Lyons	Vice President	June 08
Jill Davisson	Secretary-Treasurer	June 08
RuthAnn Papke	Member	June 09
Lewis Todtz	Member	June 09
Patty Bradley	Member	June 10
Pat Cullen	Member	June 08
Jennifer Graf	Member	June 09
Marcia Christensen	Executive Director	Indefinite



Sitrick & Associates, LLC Certified Public Accountants

2543 Tech Drive ♦ Bettendorf, Iowa 52722 ♦ Telephone 563-332-8288 FAX 563-322-8456

Sheldon S. Sitrick, CPA (1954 - 1988)
John N. Sherrick, CPA
Glenn G. Blair, CPA
James K. Blake, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridgeview Community Mental Health Center
Clinton, Iowa

We have audited the accompanying statement of financial position of Bridgeview Community Mental Health Center as of June 30, 2008 and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Bridgeview Community Mental Health Center'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bridgeview Community Mental Health Center as of June 30, 2008 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008, on our consideration of Bridgeview Community Mental Health Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

August 29, 2008
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Financial Position

June 30, 2008

Assets:	
Current Assets:	
Cash	\$ 609,785
Accounts Receivable	254,957
Grants Receivable	<u>7,038</u>
Total Current	\$ 871,780
Property and Equipment:	
Office Furniture and Equipment	72,109
Less: Accumulated Depreciation	<u>(18,592)</u>
Total Property and Equipment	53,517
Other Assets:	
Other Intangible Assets	300
Less: Accumulated Amortization	<u>(300)</u>
Total Other Assets	<u>-</u>
Total Assets	<u>\$ 925,297</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 12,146
Other Accrued Expenses	58,038
Accrued Wages	<u>108,646</u>
Total Current Liabilities	<u>178,830</u>
Total Liabilities	178,830
Net Assets:	
Unrestricted	<u>746,467</u>
Total Liabilities and Net Assets	<u>\$ 925,297</u>

The Notes to Financial Statements are an integral part of this statement

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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Activities
For the Year Ended June 30, 2008

	2008		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Service Fees:			
State	\$ 3,781	\$ -	\$ 3,781
County	1,220,850		1,220,850
Habitation	59,717		59,717
Medicare	308,260		308,260
Medicaid	954,432		954,432
Private Insurance	612,754		612,754
Self Pay	102,063		102,063
Less Adjustments	(728,724)		(728,724)
Grants, Contracts, Fees	213,958		213,958
Donations	2,025		2,025
Other	5,028	-	5,028
Total Revenue and Support	2,754,144	-	2,754,144
Expenses:			
Program Expenses			
Independent Living	258,217		258,217
School SAT	178,647		178,647
School Contracts	109,076		109,076
Clinical	753,526		753,526
Medical	358,414		358,414
Hospital	89,345		89,345
DeWitt	11,762	-	11,762
	1,758,987	-	1,758,987
General and Administrative	548,916	-	548,916
Total Expenses	2,307,903	-	2,307,903
Change in Net Assets	446,241	-	446,241
Net Assets Beginning of Year	300,226	-	300,226
Net Assets End of Year	\$ 746,467	\$ -	\$ 746,467

The Notes to Financial Statements are an integral part of this statement

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Cash Flows

For the Year Ended to June 30, 2008

Cash flows from (used in) Operating Activities:	
Excess of revenue over expenses	\$ 446,241
Adjustments to reconcile change in assets to net cash from operating activities:	
Depreciation	11,654
Decrease (increase) in operating assets:	
Accounts Receivable	(9,662)
Other Receivables	4,084
Increase (decrease) in Operating Liabilities:	
Accounts payable	(900)
Other accrued expenses	14,149
Accrued wages	<u>16,339</u>
Net cash flows from Operating Activities	<u>481,905</u>
Cash Flows from (used in) Investing Activities:	
Purchase of Furniture & Equipment	<u>(28,566)</u>
Net Cash Used in Investing Activities	<u>(28,566)</u>
Cash Flows from (used in) Financing Activities:	
Repayment of Notes	<u>(15,338)</u>
Net Cash Provided by Financing Activities	<u>(15,338)</u>
Net (Decrease) Increase in Cash	438,001
Cash Beginning of Year	<u>171,784</u>
Cash End of Year	<u>\$ 609,785</u>
Supplemental disclosures of cash flow information:	
Interest Paid	<u>\$ 485</u>

The Notes to Financial Statements are an integral part of this statement

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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Functional Expenses
For the Year Ended June 30, 2008

	PROGRAM SERVICES										Total
	Independent Living	School SAT	School Contracts	Clinical	Medical	Hospital	DeWitt	Program Services	General & Administrative	Total	
Salaries and Wages	\$ 163,463	\$ 137,643	\$ 80,400	\$ 553,007	\$ 272,803	\$ 74,464	\$ 6,813	\$ 1,288,593	\$ 295,697	\$ 1,584,290	
Payroll Taxes	13,215	11,522	6,657	44,123	16,981	3,944	601	97,043	24,310	121,353	
Employee Benefits	26,858	12,196	16,132	94,536	39,365	6,148	2,964	198,199	82,504	280,703	
Insurance	624	-	-	902	3,831	2,560	-	7,917	8,082	15,999	
Advertising	-	-	-	376	-	-	-	376	22,014	22,390	
Staff Development	1,112	2,104	201	5,118	3,348	1,803	23	13,709	844	14,553	
Dues, Fees, Licenses	419	-	-	604	471	-	-	1,494	7,055	8,549	
Rent, Utilities, Phone	24,593	6,575	1,142	31,532	9,078	-	780	73,700	32,578	106,278	
Supplies	7,564	1,634	-	20,935	2,872	426	-	33,431	25,921	59,352	
Professional Services	11,311	8	8	285	9,137	-	-	20,749	29,321	50,070	
Equipment	928	886	-	1,696	402	-	-	3,912	7,647	11,559	
Mileage	8,130	6,079	4,536	412	126	-	581	19,864	804	20,668	
Interest	-	-	-	-	-	-	-	-	485	485	
Depreciation	-	-	-	-	-	-	-	-	11,654	11,654	
Total Expenses	\$ 258,217	\$ 178,647	\$ 109,076	\$ 753,526	\$ 358,414	\$ 89,345	\$ 11,762	\$ 1,758,987	\$ 548,916	\$ 2,307,903	

The Notes to Financial Statements are an integral part of this statement.

Sitrick & Associates, LLC
Certified Public Accountants

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2008

Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Bridgeview Community Mental Health Center (Center) provides comprehensive, caring, quality mental health services to individuals in Clinton County, Iowa and surrounding areas. As such, the Organization is subject to the business risk associated with that industry in the Clinton County, Iowa area.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Fixed Assets - Fixed assets acquired by Bridgeview Community Mental Health Center through restricted grant contributions are considered to be owned by Bridgeview Community Mental Health Center. Some funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of these assets.

Bridgeview Community Mental Health Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$500. Depreciation or amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-7 years
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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Bridgeview Community Mental Health Center had no temporarily or permanently restricted net assets in 2008.

Service Revenues – Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors. And others for services rendered, including estimate retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

Income Taxes - The Organization is exempt from income taxes as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and under state income tax code.

Compensated Absences – The Center employees accumulate a limited amount of earned but unused vacation and personal day benefits payable to the employee. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on current rates of pay.

Contributed Services - During the year ended June 30, 2008 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No Fund-raising expenses are included in general and administrative expenses.

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2008

Note 2 - Property and Equipment

Fixed Assets are summarized as follows:

2008

Office equipment	\$	43,267
Vehicles		<u>28,842</u>
Accumulated Depreciation		<u>(18,592)</u>
	\$	<u>53,517</u>

Note 3 – Accounts Receivable

Accounts receivable of the Center on June 30, 2008 totaled \$433,286. Based on past collection experience, management has provided for an allowance for adjustments and doubtful accounts of \$178,329 of the receivable balance.

Note 4 – Revenue

Approximately 48 percent of 2008 revenue was derived under federal and state third-party reimbursement programs. These revenues are based in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 5 – Economic Dependence

The Center receives a substantial amount of its support from local county government. A significant reduction in the level of this support, if this were to occur, may have an effect on the Center's programs and activities. A large portion of the Center's revenue from patient fees are paid by third-party reimbursement whereby patients qualify for funding through title XIX of the Federal Social Security Act. Changes in the level of funding for this program could have a considerable effect on the patients' ability to pay for services provided.

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2008

Note 6 – Leases

As of June 30, 2008, the Center had entered into various noncancelable operating lease agreements for the rental of office and residential facilities, expiring from August 2008 to June 2011. Minimum rentals, on an annual basis, are as follows:

Fiscal year ending June 30, 2009	\$	71,752
		2010 60,522
		2011 51,390
Thereafter		-
		<u>\$ 183,664</u>

The Center has been notified that the lease for its main offices will not be extended past 2011. Accordingly the center is working on a plan to relocate its main office.

Note 9 – Retirement Plan

The Center has a defined contribution 401(k) retirement plan for substantially all full time employees. The employer match contribution to the plan equals 100% of the first 3% of gross pay that an employee contributes to the plan and 50% of the employees next 2% of gross pay that an employee contribute to the plan. The amount included in the expenses for the year ended June 30, 2008 is approximately \$57,900.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Bridgeview Community Mental Health Center
Clinton, Iowa

We have audited the financial statements of Bridgeview Community Mental Health Center (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated August 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Bridgeview Community Mental Health Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bridgeview Community Mental Health Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridgeview Community Mental Health Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

August 29, 2008
Bettendorf, Iowa


SITRICK & ASSOCIATES, LLC
Certified Public Accountants

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Schedule of Prior Audit Findings

June 30, 2008

Findings Related to the Financial Statements:

2007-1 Financial Reporting – Significant amounts of account receivables were not recorded in the proper accounting period in the Center’s financial statements.

Status – The Center has obtained accounts receivable reports that contain all the transaction for each accounting period and is using these reports to balance the subsidiary accounts receivable ledger to the general ledger.



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Bridgeview Community Mental Health Center

Our report on our audit of the financial statements of Bridgeview Community Mental Health Center June 30, 2008 appears on page 2. The audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of Income and Expenses by department are presented for 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 basic financial statements taken as a whole.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

August 29, 2008
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Schedule of Income and Expenses by Department
For the Year Ended June 30, 2008

	Independent Living	School SAT	School Contracts	Clinical	Medical
Revenue:					
State	\$ 3,781	\$ -	\$ -	\$ -	\$ -
County	58,875	119,637	-	741,466	293,172
Habitation	59,717	-	-	-	-
Medicare	-	8,610	-	204,518	66,518
Medicaid	165,485	107,335	-	512,136	130,294
Private Insurance	3,649	52,325	-	448,444	71,651
Self Pay	-	4,083	-	61,238	24,495
Less Adjustments	(457)	(65,591)	-	(487,563)	(124,519)
Grants, Contracts, Fees	30,161	16,704	143,351	23,742	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue & Support	<u>321,211</u>	<u>243,103</u>	<u>143,351</u>	<u>1,503,981</u>	<u>461,611</u>
Expenses:					
Salaries and Wages	\$ 163,463	\$ 137,643	\$ 80,400	\$ 553,007	\$ 272,803
Payroll Taxes	13,215	11,522	6,657	44,123	16,981
Employee Benefits	26,858	12,196	16,132	94,536	39,365
Insurance	624	-	-	902	3,831
Advertising	-	-	-	376	-
Staff Development	1,112	2,104	201	5,118	3,348
Dues, Fees, Licenses	419	-	-	604	471
Rent, Utilities, Phone	24,593	6,575	1,142	31,532	9,078
Supplies	7,564	1,634	-	20,935	2,872
Professional Services	11,311	8	8	285	9,137
Equipment	928	886	-	1,696	402
Mileage	8,130	6,079	4,536	412	126
Interest	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Expenses	<u>258,217</u>	<u>178,647</u>	<u>109,076</u>	<u>753,526</u>	<u>358,414</u>
Net Revenue	<u>\$ 62,994</u>	<u>\$ 64,456</u>	<u>\$ 34,275</u>	<u>\$ 750,455</u>	<u>\$ 103,197</u>

Hospital	DeWitt	General & Administrative	Total
\$ -	\$ -	\$ -	\$ 3,781
5,845	1,855	-	1,220,850
-	-	-	59,717
24,516	4,098	-	308,260
35,010	4,172	-	954,432
33,041	3,644	-	612,754
10,207	2,040	-	102,063
(44,564)	(6,030)	-	(728,724)
-	-	-	213,958
-	-	2,025	2,025
-	-	5,028	5,028
<u>64,055</u>	<u>9,779</u>	<u>7,053</u>	<u>2,754,144</u>
\$ 74,464	\$ 6,813	\$ 295,697	\$ 1,584,290
3,944	601	24,310	121,353
6,148	2,964	82,504	280,703
2,560	-	8,082	15,999
-	-	22,014	22,390
1,803	23	844	14,553
-	-	7,055	8,549
-	780	32,578	106,278
426	-	25,921	59,352
-	-	29,321	50,070
-	-	7,647	11,559
-	581	804	20,668
-	-	485	485
-	-	11,654	11,654
<u>89,345</u>	<u>11,762</u>	<u>548,916</u>	<u>2,307,903</u>
<u>\$ (25,290)</u>	<u>\$ (1,983)</u>	<u>\$ (541,863)</u>	<u>\$ 446,241</u>