

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

**FINANCIAL REPORT
June 30, 2012**

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Board of Directors

Name	Title	Term Expires
Lewis Todtz	President	June 14
Jennifer Graf	Vice President	June 13
John Staszewski	Secretary-Treasurer	June 13
John Ballheim	Member	June 13
Deb Olson	Member	June 12
Ruthann Papke	Member	June 12
Joe Steffen	Member	June 14
Marcia Christensen	Executive Director	Indefinite



Sitrick & Associates, LLC *Certified Public Accountants*
2543 Tech Drive ♦ Bettendorf, Iowa 52722 ♦ Telephone 563-332-8288 FAX 563-332-8456

Sheldon S. Sitrick, CPA (1954 - 1988)
John N. Sherrick, 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, 2012 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, 2012 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 23, 2012, 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 23, 2012
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Financial Position
June 30, 2012

Assets:	
Current Assets:	
Cash	\$ 488,347
Certificates of Deposits	763,486
Accounts Receivable	262,155
Grants Receivable	<u>42,115</u>
Total Current	\$ 1,556,103
Property and Equipment:	
Office Furniture and Equipment	170,920
Less: Accumulated Depreciation	<u>(122,798)</u>
Total Property and Equipment	<u>48,122</u>
Total Assets	<u>\$ 1,604,225</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 32,158
Other Accrued Liabilities	44,389
Accrued Wages	<u>153,342</u>
Total Current Liabilities	<u>\$ 229,889</u>
Total Liabilities	229,889
Net Assets:	
Unrestricted	<u>1,374,336</u>
Total Liabilities and Net Assets	<u>\$ 1,604,225</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, 2012

	2012		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Service Fees:			
County	\$ 678,852	\$ -	\$ 678,852
Habitation	93,693		93,693
Medicare	493,148		493,148
Medicaid	1,445,425		1,445,425
Private Insurance	801,257		801,257
Self Pay	38,063		38,063
Less Adjustments	(1,031,741)		(1,031,741)
Grants, Contracts, Fees	555,378		555,378
Donations	2,550		2,550
Other	<u>11,728</u>	<u>-</u>	<u>11,728</u>
Total Revenue and Support	<u>3,088,353</u>	<u>-</u>	<u>3,088,353</u>
Expenses:			
Program Expenses			
Independent Living	361,511		361,511
School SAT	171,169		171,169
School Contracts	51,623		51,623
Clinical	848,523		848,523
Medical	682,204		682,204
Alverno	<u>2,317</u>	<u>-</u>	<u>2,317</u>
	2,117,347	-	2,117,347
General and Administrative	<u>626,495</u>	<u>-</u>	<u>626,495</u>
Total Expenses	<u>2,743,842</u>	<u>-</u>	<u>2,743,842</u>
Change in Net Assets	344,511	-	344,511
Net Assets Beginning of Year	<u>1,029,825</u>	<u>-</u>	<u>1,029,825</u>
Net Assets End of Year	<u>\$ 1,374,336</u>	<u>\$ -</u>	<u>\$ 1,374,336</u>

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, 2012

Cash flows from (used in) Operating Activities:	
Excess of revenue over expenses	\$ 344,511
Adjustments to reconcile change in assets to net cash from operating activities:	
Depreciation	30,634
Decrease (increase) in operating assets:	
Accounts Receivable	(120,671)
Other Receivables	(2,118)
Increase (decrease) in Operating Liabilities:	
Accounts payable	7,790
Other accrued expenses	(25,711)
Accrued wages	<u>15,439</u>
Net cash flows from Operating Activities	<u>249,874</u>
Cash Flows from (used in) Investing Activities:	
Purchase of Furniture & Equipment	<u>(6,829)</u>
Net Cash Used in Investing Activities	<u>(6,829)</u>
Net (Decrease) Increase in Cash	243,045
Cash Beginning of Year	<u>1,008,788</u>
Cash End of Year	<u>\$ 1,251,833</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, 2012

	PROGRAM SERVICES							Total	
	Independent Living	School SAT	School Contracts	Clinical	Medical	Alverno	Program Services		General & Administrative
Salaries and Wages	\$ 228,491	\$ 125,581	\$ 43,896	\$ 639,070	\$ 495,734	\$ 2,106	\$ 1,534,878	\$ 292,891	\$ 1,827,769
Payroll Taxes	17,750	9,706	3,334	47,589	31,154	161	109,694	22,469	132,163
Employee Benefits	50,951	27,167	1,700	105,666	39,682	50	225,216	97,535	322,751
Insurance	-	-	-	-	4,154	-	4,154	17,276	21,430
Advertising	-	-	-	-	-	-	-	21,964	21,964
Staff Development	1,278	1,143	47	4,448	479	-	7,395	553	7,948
Dues, Fees, Licenses	27	72	30	946	2,657	-	3,732	7,218	10,950
Rent, Utilities, Phone	31,549	3,183	413	35,732	10,869	-	81,746	32,112	113,858
Supplies	16,507	1,544	195	13,408	3,854	-	35,508	31,119	66,627
Professional Services	2,159	15	-	1,038	93,319	-	96,531	58,956	155,487
Equipment	565	-	-	562	302	-	1,429	11,907	13,336
Mileage	12,234	2,758	2,008	64	-	-	17,064	1,861	18,925
Depreciation	-	-	-	-	-	-	-	30,634	30,634
Total Expenses	\$ 361,511	\$ 171,169	\$ 51,623	\$ 848,523	\$ 682,204	\$ 2,317	\$ 2,117,347	\$ 626,495	\$ 2,743,842

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, 2012

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 Center 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.

Date of Management's Review - Subsequent events were evaluated through August 23, 2012, which is the date the financial statements were available to be issued.

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 \$750. 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, 2012

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 2012.

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 Center 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, 2012 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, 2012

Note 2 - Property and Equipment

Fixed Assets are summarized as follows:

	<u>2012</u>
Office equipment	\$ 142,078
Vehicles	<u>28,842</u>
Accumulated Depreciation	<u>(122,798)</u>
	<u>\$ 48,122</u>

Note 3 – Accounts Receivable

Accounts receivable of the Center on June 30, 2012 totaled \$462,174. Based on past collection experience, management has provided for an allowance for adjustments and doubtful accounts of \$200,990 of the receivable balance.

Note 4 – Revenue

Approximately 50 percent of 2012 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, 2012

Note 6 – Leases

As of June 30, 2012, the Center had entered into various noncancelable operating lease agreements for the rental of office and residential facilities, expiring from July 2011 to June 2017. Minimum rentals, on an annual basis, are as follows:

Fiscal year ending June 30, 2013	\$ 100,323
2014	76,523
2015	70,022
2016	<u>70,022</u>
	<u>\$ 316,890</u>

Note 7 – 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, 2012 is approximately \$61,083.



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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, 2012, and have issued our report thereon dated August 23, 2012. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Directors, 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.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

August 23, 2012
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Schedule Findings and Responses
June 30, 2012

There were no audit findings.



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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
Bridgeview Community Mental Health Center

We have audited the financial statements of Bridgeview Community Mental Health Center as of and for the year ended June 30, 2012, and have issued our report thereon dated August 23, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of schedule of Income and Expenses by department is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

August 23, 2012
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Schedule of Income and Expenses by Department
For the Year Ended June 30, 2012

	<u>Independent Living</u>	<u>School SAT</u>	<u>School Contracts</u>	<u>Clinical</u>	<u>Medical</u>
Revenue:					
County	\$ 35,025	\$ 490	\$ -	\$ 463,042	\$ 180,295
Habitation	93,693	-	-	-	-
Medicare	-	-	-	270,223	208,995
Medicaid	270,330	198,030	-	614,309	362,256
Private Insurance	-	88,325	-	498,458	214,474
Self Pay	11,420	5,460	-	10,468	10,715
Less Adjustments	(48,692)	(134,187)	-	(482,869)	(334,342)
Grants, Contracts, Fees	22,464	87,389	30,327	226,646	187,603
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue & Support	<u>384,240</u>	<u>245,507</u>	<u>30,327</u>	<u>1,600,277</u>	<u>829,996</u>
Expenses:					
Salaries and Wages	\$ 228,491	\$ 125,581	\$ 43,896	\$ 639,070	\$ 495,734
Payroll Taxes	17,750	9,706	3,334	47,589	31,154
Employee Benefits	50,951	27,167	1,700	105,666	39,682
Insurance	-	-	-	-	4,154
Advertising	-	-	-	-	-
Staff Development	1,278	1,143	47	4,448	479
Dues, Fees, Licenses	27	72	30	946	2,657
Rent, Utilities, Phone	31,549	3,183	413	35,732	10,869
Supplies	16,507	1,544	195	13,408	3,854
Professional Services	2,159	15	-	1,038	93,319
Equipment	565	-	-	562	302
Mileage	12,234	2,758	2,008	64	-
Depreciation	-	-	-	-	-
Total Expenses	<u>361,511</u>	<u>171,169</u>	<u>51,623</u>	<u>848,523</u>	<u>682,204</u>
Net Revenue	<u>\$ 22,729</u>	<u>\$ 74,338</u>	<u>\$ (21,296)</u>	<u>\$ 751,754</u>	<u>\$ 147,792</u>

General &		
Alverno	Administrative	Total
\$ -	\$ -	\$ 678,852
-	-	93,693
13,930	-	493,148
500	-	1,445,425
0	-	801,257
-	-	38,063
(5,459)	(26,192)	(1,031,741)
-	949	555,378
-	2,550	2,550
-	11,728	11,728
<u>8,971</u>	<u>(10,965)</u>	<u>3,088,353</u>

\$ 2,106	\$ 292,891	\$ 1,827,769
161	22,469	132,163
50	97,535	322,751
-	17,276	21,430
-	21,964	21,964
-	553	7,948
-	7,218	10,950
-	32,112	113,858
-	31,119	66,627
-	58,956	155,487
-	11,907	13,336
-	1,861	18,925
-	30,634	30,634
2,317	626,495	2,743,842

\$ 6,654 \$ (637,460) \$ 344,511