



**NASHVILLE GENERAL HOSPITAL
FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)**

FINANCIAL STATEMENTS

***As of and for the Years Ended June 30, 2018
and 2017***

And Report of Independent Auditor

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
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Report of Independent Auditor

To the Board of Directors
Nashville General Hospital Foundation
Nashville, Tennessee

We have audited the accompanying financial statements of Nashville General Hospital Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville General Hospital Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Financial Statements

The financial statements of Nashville General Hospital Foundation as of June 30, 2017, were audited by other auditors whose report dated October 24, 2017, expressed an unmodified opinion on those statements.



Nashville, Tennessee
October 26, 2018

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 435,985	\$ 352,828
Contributions receivable	16,875	97,170
Prepaid expenses	984	606
Total Assets	\$ 453,844	\$ 450,604
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 59,296	\$ 33,123
Total Liabilities	59,296	33,123
Net Assets:		
Unrestricted	97,364	83,490
Temporarily restricted	297,184	333,991
Total Net Assets	394,548	417,481
Total Liabilities and Net Assets	\$ 453,844	\$ 450,604

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Contributions and other	\$ 93,132	\$ 175,751	\$ 268,883
In-kind donations	150,011	-	150,011
Net assets released from timing restrictions	212,558	(212,558)	-
Total Revenue	455,701	(36,807)	418,894
Expenses:			
Program services	280,731	-	280,731
Management and general	55,856	-	55,856
Fundraising costs	105,240	-	105,240
Total Expenses	441,827	-	441,827
Change in net assets	13,874	(36,807)	(22,933)
Net assets, beginning of year	83,490	333,991	417,481
Net assets, end of year	\$ 97,364	\$ 297,184	\$ 394,548

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Contributions and other	\$ 81,827	\$ 410,006	\$ 491,833
In-kind donations	83,043	-	83,043
Interest income	24	-	24
Net assets released from timing restrictions	172,343	(172,343)	-
Total Revenue	<u>337,237</u>	<u>237,663</u>	<u>574,900</u>
Expenses:			
Program services	279,560	-	279,560
Management and general	50,301	-	50,301
Fundraising costs	98,648	-	98,648
Total Expenses	<u>428,509</u>	<u>-</u>	<u>428,509</u>
Change in net assets	(91,272)	237,663	146,391
Net assets, beginning of year	174,762	96,328	271,090
Net assets, end of year	<u>\$ 83,490</u>	<u>\$ 333,991</u>	<u>\$ 417,481</u>

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services	Management and General	Fundraising Costs	Total
Salaries				
(includes \$56,486 in-kind)	\$ 22,997	\$ 28,902	\$ 78,431	\$ 130,330
In-kind	75,061	4,340	14,124	93,525
Patient and employee care fund	80,234	-	-	80,234
Mammograms in May grants	38,269	-	-	38,269
Prostate screening	25,732	-	-	25,732
Marketing	22,013	-	729	22,742
Benefits	-	11,874	-	11,874
Jazz brunch	-	-	9,229	9,229
Hospital renovations	8,945	-	-	8,945
Other programs	6,115	-	-	6,115
Professional fees	-	5,700	-	5,700
Dues and subscriptions	-	1,173	1,840	3,013
Insurance	-	1,798	-	1,798
Oncology patient fund	1,365	-	-	1,365
Supplies	-	953	-	953
Licenses and permits	-	730	-	730
Recognition and celebrations	-	-	514	514
Printing	-	-	373	373
Education	-	285	-	285
Other programs	-	85	-	85
Postage	-	16	-	16
	<u>\$ 280,731</u>	<u>\$ 55,856</u>	<u>\$ 105,240</u>	<u>\$ 441,827</u>

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED JUNE 30, 2017

	Program Services	Management and General	Fundraising Costs	Total
Salaries (includes \$10,598 in-kind)	\$ 18,714	\$ 26,405	\$ 74,855	\$ 119,974
Wellness Wednesday	106,743	-	-	106,743
In-kind	71,945	500	-	72,445
Mammograms in May grants	47,868	-	-	47,868
Benefits	-	14,184	-	14,184
Jazz brunch	-	-	19,115	19,115
Prostate screening	12,844	-	-	12,844
Workshop	7,500	-	-	7,500
Patient and employee care fund	6,135	-	-	6,135
Oncology patient fund	6,077	-	-	6,077
Professional fees	-	5,368	-	5,368
Dues and subscriptions	-	447	3,528	3,975
Insurance	-	1,222	-	1,222
Recognition and celebrations	758	-	332	1,090
Other	-	504	457	961
Printing	-	427	261	688
Health sciences	500	-	-	500
Education	-	488	-	488
Supplies	-	414	-	414
Volunteer coordinator	336	-	-	336
Meals	-	178	-	178
Dental care	140	-	-	140
Equipment	-	120	-	120
Networking	-	-	100	100
Postage	-	44	-	44
	<u>\$ 279,560</u>	<u>\$ 50,301</u>	<u>\$ 98,648</u>	<u>\$ 428,509</u>

The accompanying notes to the financial statements are an integral part of these statements.

NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (22,933)	\$ 146,391
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Contributions receivable	80,295	(74,496)
Prepaid expense	(378)	6,795
Accounts payable	26,173	24,361
Net cash provided by operating activities	<u>83,157</u>	<u>103,051</u>
Net increase in cash and cash equivalents	83,157	103,051
Cash and cash equivalents, beginning of year	<u>352,828</u>	<u>249,777</u>
Cash and cash equivalents, end of year	<u><u>\$ 435,985</u></u>	<u><u>\$ 352,828</u></u>

**NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2018 AND 2017

Note 1—Nature of activities and significant accounting policies

General – Friends in General, Inc. was established in 1977 as a Tennessee nonprofit corporation to provide resources to support various programs of Nashville General Hospital at Meharry (“NGHM”). Effective August 2016, Friends in General, Inc. changed its legal name to Nashville General Hospital Foundation (the “Foundation”).

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – net assets subject to donor imposed stipulations that they be maintained permanently. The Foundation has no permanently restricted net assets at June 30, 2018 and 2017.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donated Goods and Services – Contributed services are recognized if the services received, (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Foundation receives executive director and other administrative services from employees of NGHM. The value of such services (\$56,486 and \$10,598 for 2018 and 2017, respectively) is recorded as an in-kind donation.

Additionally, the Foundation receives a significant amount of contributed time from unpaid members and volunteers who assist in fundraising and special projects that does not meet the recognition criteria described above. However, during fiscal 2018, volunteers provided in excess of 1,900 hours of service to various Foundation programs.

**NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2018 AND 2017

Note 1—Nature of activities and significant accounting policies (continued)

Income Taxes – No provision for federal income taxes is made in the accompanying financial statements, as the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The Foundation follows the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification guidance clarifying the accounting for uncertainty in income taxes recognized in an entity’s financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Foundation has no tax penalties or interest reported in the accompanying financial statements.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses – Expenses have been allocated between program, management and general, and fundraising based on estimates made by management.

Accounting Policies for Future Pronouncements – In August 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities* (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This standard changes presentation and disclosure requirements of not-for-profit entities. The primary changes are decreases in the number of net asset classes from three to two, reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions, continues to allow preparers to choose between the direct method and indirect method for presenting operating cash flows, requires disclosures of qualitative information on how the not-for-profit entity manages its liquid available resources and liquidity risks and requires reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature. This standard will be effective for the calendar year ending June 30, 2019.

Subsequent Events – The Foundation evaluated subsequent events through October 26, 2018 when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the accompanying financial statements.

Note 2—Grants

The Foundations’ primary function is to provide funds to NGH. NGH is a publicly supported, academically affiliated, community based hospital committed to providing excellent healthcare regardless of age, race, creed, gender, sexual preference, or ability to pay. Contributions are primarily made to support NGH’s programs which have included free mammograms to low-income women as well as other healthcare related services such as special machines from which patients can get certain prescriptions filled.

**NASHVILLE GENERAL HOSPITAL FOUNDATION
(FORMERLY FRIENDS IN GENERAL, INC.)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2018 AND 2017

Note 3—Concentrations

The Foundation received approximately 58% and 48% of its contributions from four and two major donors for the years ended June 30, 2018 and 2017, respectively. A decrease in the level of support from those donors, if this were to occur, would have a significant impact on the Foundation's ability to fund its programs. The Foundation intends to increase fundraising efforts and its variety of contributors by applying for additional grants and soliciting donor support.

The Foundation, at times, maintains cash and cash equivalents in excess of amounts insured by the Federal Deposit Insurance Corporation. In management's opinion, the risk related to each deposit is minimal.

Note 4—Temporarily restricted net assets

Temporarily restricted net assets consist of the following at June 30:

	2018	2017
Astellas	\$ 89,410	\$ 168,775
Team Chad Foundation	65,923	65,437
Patient Care (Food Pantry)	52,046	5,975
Susan Komen Foundation	48,986	53,505
Oncology Patient Fund	24,260	18,299
Seniors Project	7,672	20,000
Employee Care Fund	6,887	-
Scholarships	2,000	2,000
	<u>\$ 297,184</u>	<u>\$ 333,991</u>

Note 5—Related party

The Foundation pays for a portion of the Mammograms in May program at NGHM. The amounts paid to NGHM for the Mammograms in May program amounted to \$38,269 and \$47,868 for the years ended June 30, 2018 and 2017, respectively. In addition, the Foundation pays for various other programs operated by NGHM.