

**NASHVILLE TECHNOLOGY COUNCIL FOUNDATION**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2018**

# NASHVILLE TECHNOLOGY COUNCIL FOUNDATION

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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS &amp; ADVISORS

Professional Accounting &amp; Consulting Services

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Nashville Technology Council Foundation  
Nashville, Tennessee

We have audited the accompanying financial statements of Nashville Technology Council Foundation, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 Technology Council Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Bellenfant, PLLC*

May 10, 2019

**NASHVILLE TECHNOLOGY COUNCIL FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 91,956
Accounts Receivable	<u>7,000</u>
Total Current Assets	<u>98,956</u>

**FIXED ASSETS**

Office Equipment	32,101
Furniture and Fixtures	<u>18,450</u>
	50,551
Less: Accumulated Depreciation	<u>(7,337)</u>
Total Fixed Assets, net	<u>43,214</u>
Total Assets	<u><u>\$ 142,170</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Due to Related Party	<u>\$ 8,051</u>
Total Current Liabilities	<u>8,051</u>
Total Liabilities	<u>8,051</u>

**NET ASSETS**

Net Assets Without Donor Restrictions	<u>134,119</u>
Total Liabilities and Net Assets	<u><u>\$ 142,170</u></u>

See accompanying notes and independent auditor's report.

**NASHVILLE TECHNOLOGY COUNCIL FOUNDATION**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**REVENUE**

Camps	\$ 12,845
Contributions	<u>332,954</u>
Total Revenue	<u>345,799</u>

**EXPENSES**

Program Service Expenses	267,362
Management and General	<u>9,154</u>
Total Expenses	<u>276,516</u>
Change in Net Assets	69,283
Net Assets, beginning of the year	<u>64,836</u>
Net Assets, end of the year	<u><u>\$ 134,119</u></u>

See accompanying notes and independent auditor's report.

**NASHVILLE TECHNOLOGY COUNCIL FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b><u>Program Service Expenses</u></b>	<b><u>Management and General</u></b>	<b><u>Total</u></b>
Events	\$ 8,143	\$ -	\$ 8,143
MAC Camp	27,002	-	27,002
Tech Camp	12,666	-	12,666
Apprenti TN Training	32,497	-	32,497
Salaries and Wages	88,542	-	88,542
Depreciation	6,220	-	6,220
Annual Report	5,000	-	5,000
Computers and Equipment	4,632	-	4,632
Advertising and Promotion	397	-	397
Meals and Entertainment	25	-	25
Accounting	-	5,363	5,363
Consulting and Professional	-	460	460
Office Supplies	5,986	1,497	7,483
Dues, Subscriptions and Technology	8,632	454	9,086
Management Fee	<u>67,620</u>	<u>1,380</u>	<u>69,000</u>
Total Expenses	<u>\$ 267,362</u>	<u>\$ 9,154</u>	<u>\$ 276,516</u>

See accompanying notes and independent auditor's report.

**NASHVILLE TECHNOLOGY COUNCIL FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 69,283
Adjustments to reconcile change in net assets to net cash used by operations:	
Depreciation	6,220
(Increase) Decrease in:	
Accounts Receivable	(7,000)
Other Current Asset	4,000
Increase (Decrease) in:	
Accounts Payable	<u>8,051</u>
Net Cash Provided (Used) by Operating Activities	<u>80,554</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(31,247)</u>
Net Cash Provided (Used) by Investing Activities	<u>(31,247)</u>
Net Increase (Decrease) in Cash	49,307
Cash, beginning of the year	<u>42,649</u>
Cash, end of the year	<u><u>\$ 91,956</u></u>

See accompanying notes and independent auditor's report.

# NASHVILLE TECHNOLOGY COUNCIL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2018**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization and Purpose**

The Nashville Technology Council Foundation ("the Foundation") was established in 2013 to raise funds to support the education and workforce development efforts and programs of the Nashville Technology Council. Nashville Technology Council Foundation shall exist to work in partnership with the Middle Tennessee community to build a skilled IT workforce; to promote the growth of technology businesses throughout the greater Nashville, Tennessee area by bringing together leaders in the business, academic, government and non-profit sectors in an effort to foster and promote the development of the technology industry; and to improve business conditions for the technology industry in the area by providing and promoting educational opportunities for the community.

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - These are net assets that are not subject to donor-imposed stipulations. The Foundation had \$125,903 of net assets without donor restrictions as of December 31, 2018.

*Net assets with donor restrictions* - These are 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. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Foundation. Generally, donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes. The Foundation had no net assets with donor restrictions as of December 31, 2018.

#### **Income Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code.



# NASHVILLE TECHNOLOGY COUNCIL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2018**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Income Taxes (Continued)**

The Foundation has evaluated its tax positions in accordance with the Codification Standard related to Accounting for Uncertainty in Income Taxes. The Foundation believes that it has taken no uncertain tax positions.

The Foundation files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Foundation's returns for the years prior to fiscal year 2015 are no longer open for examination.

#### **Cash**

For the purposes of the statement of cash flows, the Foundation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

#### **Accounts Receivable**

The Foundation considers accounts receivable to be fully collectible; accordingly, no allowances for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

#### **Depreciation**

Office equipment and Furniture and Fixtures with an acquisition cost over \$500 are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of each asset as follows:

Office Equipment	3 or 5 years
Furniture and Fixtures	5 years

#### **Estimates**

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

# NASHVILLE TECHNOLOGY COUNCIL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2018**

### **2. DONATED SERVICES**

Officers, members of the Board of Directors, and other members of the Foundation have assisted the Foundation in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Foundation, and the Foundation exercises no significant control over the major elements of donated services.

### **3. MANAGEMENT FEE**

The Foundation has agreed to reimburse Nashville Technology Council for monthly management. The expenses incurred for the year ended December 31, 2018 were \$69,000.

### **4. AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of December 31, 2018, reduced by amounts not available for general use:

Cash	\$ 91,956
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 91,956</u>

There is an adequate amount of financial assets available as of December 31, 2018. The Foundation effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

### **5. DUE TO RELATED PARTY**

The Foundation receives contributions collected on behalf of Nashville Technology Council on a regular basis. The Foundation owed the following as of December 31, 2018:

Due to Nashville Technology Council	<u>\$ 8,051</u>
Total	<u>\$ 8,051</u>

### **6. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 10, 2019, which is the date the financial statements were available to be issued.