

**NASHVILLEHEALTH**

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

**JUNE 30, 2022 AND 2021**



**BELLENFANT**  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

# NASHVILLEHEALTH

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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS &amp; ADVISORS

Professional Accounting &amp; Consulting Services

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
NashvilleHealth  
Nashville, Tennessee

**Opinion**

We have audited the accompanying financial statements of NashvilleHealth (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NashvilleHealth as of June 30, 2022 and 2021, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NashvilleHealth and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NashvilleHealth's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 NashvilleHealth's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NashvilleHealth's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Bellenfant, PLLC*

Nashville, Tennessee  
September 23, 2022

**NASHVILLEHEALTH****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2022 AND 2021****ASSETS**

<b>CURRENT ASSETS</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Cash and Cash Equivalents	\$ 375,939	\$ 380,117
Prepaid Expenses	<u>226</u>	<u>1,495</u>
Total Current Assets	<u>376,165</u>	<u>381,612</u>
<b>FIXED ASSETS</b>		
Furniture, Fixtures, and Equipment	2,807	2,807
Less: Accumulated Depreciation	<u>(2,308)</u>	<u>(1,823)</u>
Total Fixed Assets	<u>499</u>	<u>984</u>
Total Assets	<u><u>376,664</u></u>	<u><u>382,596</u></u>

**LIABILITIES AND NET ASSETS****LIABILITIES**

Accounts Payable	5,409	6,938
Accrued Expenses	7,552	3,940
Deferred Revenue	-	100,357
SBA PPP Loan Payable	<u>-</u>	<u>35,000</u>
Total Current Liabilities	<u>12,961</u>	<u>146,235</u>
Total Liabilities	<u>12,961</u>	<u>146,235</u>

**NET ASSETS**

Net Assets Without Donor Restrictions	<u>363,703</u>	<u>236,361</u>
Total Net Assets Without Donor Restrictions	<u>363,703</u>	<u>236,361</u>
Total Liabilities and Net Assets	<u><u>\$ 376,664</u></u>	<u><u>\$ 382,596</u></u>

The accompanying notes and Independent Auditor's Report are an integral part of these statements.

# NASHVILLEHEALTH

## STATEMENTS OF ACTIVITIES

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>REVENUE</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Public Support</b>		
In-Kind Donations	\$ -	\$ 20,000
Contributions	209,200	330,518
Foundation Grants	351,727	42,755
	<hr/>	<hr/>
Total Public Support	560,927	393,273
	<hr/>	<hr/>
<b>Other Revenue</b>		
Investment Gain (Loss)	271	117
SBA PPP Loan Forgiveness	35,000	46,455
Miscellaneous	270	-
	<hr/>	<hr/>
Total Other Revenue	35,541	46,572
	<hr/>	<hr/>
Total Revenue	596,468	439,845
	<hr/>	<hr/>
<b>EXPENSES</b>		
Program Services	382,397	369,592
Management and General	41,508	58,378
Fundraising	45,221	48,139
	<hr/>	<hr/>
Total Expenses	469,126	476,109
	<hr/>	<hr/>
Change in Net Assets	127,342	(36,264)
Net Assets, beginning of the year	236,361	272,625
	<hr/>	<hr/>
Net Assets, end of the year	\$ 363,703	\$ 236,361
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes and Independent Auditor's Report are an integral part of these statements.

# NASHVILLEHEALTH

## STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and Wages	\$ 182,780	\$ 10,154	\$ 10,154	\$ 203,088
Payroll Taxes	13,958	775	775	15,508
Communications and Marketing	2,046	114	114	2,274
In-Kind Marketing Expense	-	-	-	-
Meetings and Events	6,721	-	-	6,721
Community Survey	765	-	-	765
 Data	 1,833	 -	 -	 1,833
Healthy Communities	143,747	-	-	143,747
Chronic Conditions	-	-	-	-
 Rent	 5,400	 300	 300	 6,000
Travel, Meals, and Entertainment	1,390	77	77	1,544
Accounting	934	17,752	-	18,686
Consultant Fees	-	-	33,514	33,514
Legislative Services	19,950	1,050	-	21,000
Executive Search	-	4,277	-	4,277
 Insurance	 1,706	 95	 95	 1,896
Licenses and Taxes	2	27	1	30
Depreciation	24	451	10	485
Office Expenses	231	4,307	93	4,631
 Information Technology	 109	 2,019	 43	 2,171
Investment Fees	-	65	-	65
Payroll Processing Fees	194	11	11	216
Miscellaneous	607	34	34	675
 Total Expenses	 <u>\$ 382,397</u>	 <u>\$ 41,508</u>	 <u>\$ 45,221</u>	 <u>\$ 469,126</u>

The accompanying notes and Independent Auditor's Report are an integral part of these statements.

# NASHVILLEHEALTH

## STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and Wages	\$ 174,221	\$ 9,679	\$ 9,679	\$ 193,579
Payroll Taxes	12,875	715	715	14,305
Communications and Marketing	6,632	369	369	7,370
In-Kind Marketing Expense	18,000	1,000	1,000	20,000
Meetings and Events	3,152	-	-	3,152
Community Survey	-	-	-	-
 Data	 8,360	 -	 -	 8,360
Healthy Communities	93,689	-	-	93,689
Chronic Conditions	1,426	-	-	1,426
 Rent	 5,400	 300	 300	 6,000
Travel, Meals, and Entertainment	303	17	17	337
Accounting	971	18,448	-	19,419
Consultant Fees	-	-	35,723	35,723
Legislative Services	40,328	2,122	-	42,450
Executive Search	-	19,875	-	19,875
 Insurance	 2,286	 127	 127	 2,540
Licenses and Taxes	38	703	15	756
Depreciation	30	561	12	603
Office Expenses	181	3,360	72	3,613
 Information Technology	 47	 866	 19	 932
Investment Fees	-	145	-	145
Payroll Processing Fees	1,519	84	84	1,687
Miscellaneous	134	7	7	148
 Total Expenses	 <u>\$ 369,592</u>	 <u>\$ 58,378</u>	 <u>\$ 48,139</u>	 <u>\$ 476,109</u>

The accompanying notes and Independent Auditor's Report are an integral part of these statements.



**NASHVILLEHEALTH****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Change in Net Assets	\$ 127,342	\$ (36,264)
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Depreciation	485	603
(Increase) Decrease in: Prepaid Expenses	1,269	(1,435)
Increase (Decrease) in: Accounts Payable	(1,529)	(8,549)
Accrued Expenses	3,612	3,940
Deferred Revenue	<u>(100,357)</u>	<u>72,245</u>
Net Cash Provided (Used) by Operating Activities	<u>30,822</u>	<u>30,540</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
SBA PPP Loan Payable Forgiveness	<u>(35,000)</u>	<u>(11,455)</u>
Net Cash Provided (Used) by Financing Activities	<u>(35,000)</u>	<u>(11,455)</u>
Net Increase (Decrease) in Cash	(4,178)	19,085
Cash and cash equivalents, beginning of the year	<u>380,117</u>	<u>361,032</u>
Cash and cash equivalents, end of the year	<u><u>\$ 375,939</u></u>	<u><u>\$ 380,117</u></u>

The accompanying notes and Independent Auditor's Report are an integral part of these statements.

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2022 AND 2021**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Purpose**

NashvilleHealth creates a culture of health and wellbeing by serving as a convener to open dialogue, align resources, and build smart strategic partnerships to create a plan for health unique to Nashville's needs.

#### **Program Services:**

NashvilleHealth aims to create a comprehensive plan for health unique to Nashville's needs by leveraging the resources of our city, region, and national leaders. By identifying specific and measurable community health indicators where improvement would be most impactful, NashvilleHealth plans to develop a comprehensive and practical roadmap for clearly defined action to improve health.

#### **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 Organization 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 Organization had \$363,703 and \$236,361 of net assets without donor restrictions as of June 30, 2022 and 2021, respectively.

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 Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no net assets with donor restrictions as of June 30, 2022 and 2021.

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**JUNE 30, 2022 AND 2021**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments with an original maturity when purchased within twelve months or less to be cash and cash equivalents. The cash accounts are held by financial institutions, and the balance on the Pinnacle Financial Partners account currently exceeds the insurance coverage of the Federal Deposit Insurance Corporation (FDIC).

#### **Prepaid Expenses**

Prepaid expenses consist of insurance payments made prior to and applicable to the subsequent fiscal year.

#### **Investments**

The Organization accounts for investments in accordance with FASB Accounting Standards Codification topic relating to Accounting for Certain Investments Held by Not-for-Profit Organizations. Under FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income and unrealized gains and losses are reported as changes in unrestricted net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are reported.

#### **Accounting Policies for Future Pronouncements**

In February 2016, FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the fiscal year ending June 30, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**JUNE 30, 2022 AND 2021**

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

#### **Fixed Assets**

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500. Property and equipment is recorded at cost at the date of purchase. Donated property and equipment are recorded at their fair value at the date of the donation. Certain property and equipment have been purchased in part or in full with grant funds, and to that extent, the State of Tennessee retains a reversionary interest in these assets in the event of their disposition. Depreciation is calculated by the straight-line method over the useful lives of the respective assets as follows:

Computer Equipment	3 Years
Furniture and Equipment	7 years

#### **Income Taxes**

The Organization has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation.

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

The Organization files a U.S. Federal Form 990-*Return of Organization Exempt from Income Tax*.

#### **Use of 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 results could differ from estimates.

#### **Contributions**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. As of June 30, 2022 and 2021, all contributions are considered unrestricted.

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**JUNE 30, 2022 AND 2021**

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

#### Expense Allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on actual or estimated time employees spent on each function.

#### Revenue Recognition

The Organization recognizes revenue related to Contributions and Donations at the point in time for which the transaction occurs or the service and associated benefits are provided.

Grant income is recognized over the grant period in relation to the expenditures incurred and services provided, as outlined in the grant documents. Cash received in excess of grant expenditures to date is recorded as deferred revenue, and an account receivable is recorded when allowable expenditures exceed cash received.

### 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Pinnacle Bank	339,287	343,400
Merrill Lynch	<u>36,652</u>	<u>36,717</u>
Total Cash and Cash Equivalents	<u>\$ 375,939</u>	<u>\$ 380,117</u>

### 3. DEFERRED REVENUE

Deferred Revenue as of June 30, 2022 and 2021 consists of the following funds designated for use in future years:

	<u>2022</u>	<u>2021</u>
2022 Revenue	<u>-</u>	<u>100,357</u>
Total Deferred Revenue	<u>\$ -</u>	<u>\$ 100,357</u>

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### JUNE 30, 2022 AND 2021

#### 4. IN-KIND DONATED SERVICES AND FACILITIES

Support and expenses for contributed services that require specialized skills, and would be purchased if not provided by the donor, are recognized at the fair value of the services received. For the year ended June 30, 2022 and 2021, the Organization received in-kind donated services and facilities as follows:

	<u>2022</u>	<u>2021</u>
Marketing	\$ -	\$ 20,000
Total In-Kind Donations	<u>\$ -</u>	<u>\$ 20,000</u>

#### 5. OPERATING LEASE

The Organization began leasing office space in July 2020 in Nashville, Tennessee. Rent is \$500 per month and the operating lease can be terminated at any time provided that a 30 day written notice is given.

Future minimum rental payments required are as follows:

<u>Year ending June 30,</u>	<u>Office Facilities</u>
2023	<u>6,000</u>
Total	<u>\$ 6,000</u>

#### 6. PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and it was signed into law on March 27, 2020. The CARES Act implemented the Payroll Protection Program (PPP), which provides loans to small businesses and charitable organizations to keep their employees on payroll. NashvilleHealth obtained a PPP loan for \$46,455 on April 21, 2020. All loan proceeds spent on qualified payroll costs and operational expenses have been forgiven.

The Consolidated Appropriations Act was signed into law on December 21, 2020 and allowed for organizations to apply for a second PPP Loan. The Organization obtained another PPP loan for \$35,000 on February 12, 2021. All loan proceeds spent on qualified payroll costs and operational expenses were forgiven on September 17, 2021.

# NASHVILLEHEALTH

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### JUNE 30, 2022 AND 2021

#### 7. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	<u>\$ 375,939</u>	<u>\$ 380,117</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 375,939</u>	<u>\$ 380,117</u>

There is an adequate amount of financial assets available as of June 30, 2022 and 2021. The Organization effectively manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.

#### 8. UNCERTAINTIES

On March 11, 2020, the World Health Organization characterized the outbreak of the COVID-19 coronavirus as a pandemic. The Organization receives the majority of its revenue from loyal Corporate and Foundation donors and therefore does not see the pandemic as a significant risk to its ability to generate revenue.

#### 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 23, 2022, which is the date the financial statements were available to be issued.