

NASHVILLEHEALTH

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

JUNE 30, 2019 AND 2018



NASHVILLEHEALTH

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
NashvilleHealth
Nashville, Tennessee

We have audited the accompanying financial statements of NashvilleHealth (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities 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 NashvilleHealth as of June 30, 2019 and 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.

Bellenfant, PLLC

August 13, 2019

DRAFT

NASHVILLEHEALTH

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

ASSETS

CURRENT ASSETS

	<u>2019</u>	<u>2018</u>
Cash	\$ 393,084	\$ 520,139
Accounts Receivable	19,250	5,000
Prepaid Expenses	3,165	2,715
	<hr/>	<hr/>
Total Current Assets	415,499	527,854

FIXED ASSETS

Furniture, Fixtures, and Equipment	2,807	1,748
Less: Accumulated Depreciation	(617)	(250)
	<hr/>	<hr/>
Total Fixed Assets	2,190	1,498

Total Assets	<u>417,689</u>	<u>529,352</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	54,813	8,824
Deferred Revenue	96,436	280,464
	<hr/>	<hr/>
Total Current Liabilities	151,249	289,288
	<hr/>	<hr/>
Total Liabilities	151,249	289,288

NET ASSETS

Net Assets Without Donor Restrictions	266,440	240,064
	<hr/>	<hr/>
Total Net Assets Without Donor Restrictions	266,440	240,064
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 417,689</u>	<u>\$ 529,352</u>

The accompanying notes are an integral part of these statements.

NASHVILLEHEALTH

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

REVENUE	<u>2019</u>	<u>2018</u>
Public Support:		
In-Kind Donations	\$ 76,820	\$ 68,511
Contributions	624,071	323,541
Foundation Grants	130,777	179,537
Program Grants	<u>20,000</u>	<u>50,000</u>
Total Public Support	<u>851,668</u>	<u>621,589</u>
Other Revenue:		
Investment Gain (Loss)	<u>-</u>	<u>2,231</u>
Total Revenue	<u>851,668</u>	<u>623,820</u>
EXPENSES		
Program Services	768,261	564,325
Management and General	<u>57,031</u>	<u>33,866</u>
Total Expenses	<u>825,292</u>	<u>598,191</u>
Change in Net Assets	26,376	25,629
Net Assets, beginning of the year	<u>240,064</u>	<u>214,435</u>
Net Assets, end of the year	<u>\$ 266,440</u>	<u>\$ 240,064</u>

The accompanying notes are an integral part of these statements.

NASHVILLEHEALTH

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Total
Salaries and Wages	\$ 245,812	\$ -	\$ 245,812
Payroll Taxes	18,643	-	18,643
In-Kind	53,600	23,220	76,820
Communications and Marketing	25,114	-	25,114
Meetings and Events	13,085	-	13,085
Child Health Awareness Campaign	18,734	-	18,734
Community Survey	266,537	-	266,537
Hypertension Program	4,303	-	4,303
Tobacco Awareness Campaign	20,946	-	20,946
Travel, Meals, and Entertainment	12,569	-	12,569
Legal Fees	-	2,700	2,700
Accounting	-	12,277	12,277
Consultant Fees	70,468	-	70,468
Legislative Services	18,450	-	18,450
Insurance	-	3,257	3,257
Licenses and Taxes	-	720	720
Depreciation	-	367	367
Office Expenses	-	8,466	8,466
Information Technology	-	2,503	2,503
Investment Fees	-	65	65
Payroll Processing Fees	-	3,382	3,382
Miscellaneous	-	74	74
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 768,261	\$ 57,031	\$ 825,292
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

NASHVILLEHEALTH

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Management and General	Total
Salaries and Wages	\$ 217,518	\$ -	\$ 217,518
Payroll Taxes	16,717	-	16,717
In-Kind	52,500	16,011	68,511
Communications and Marketing	115,096	-	115,096
Meetings and Events	19,490	-	19,490
Child Health Awareness	52,082	-	52,082
Travel, Meals, and Entertainment	10,354	-	10,354
Insurance	-	1,583	1,583
Licenses and Taxes	-	575	575
Depreciation	-	250	250
Office Expenses	-	3,529	3,529
Information Technology	-	1,889	1,889
Legal Fees	-	450	450
Accounting	-	6,250	6,250
Consultant Fees	77,315	-	77,315
Legislative Services	2,500	-	2,500
Investment Fees	-	65	65
Miscellaneous	753	3,264	4,017
Total Expenses	<u>\$ 564,325</u>	<u>\$ 33,866</u>	<u>\$ 598,191</u>

The accompanying notes are an integral part of these statements.

NASHVILLEHEALTH

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Change in Net Assets	\$ 26,376	\$ 25,629
Depreciation	367	250
Adjustments to reconcile change in net assets to net cash provided by operations		
(Increase) Decrease in:		
Accounts Receivable	(14,250)	(5,000)
Prepaid Expenses	(450)	(2,715)
Increase (Decrease) in:		
Accounts Payable	45,989	(584)
Deferred Revenue	(184,028)	280,464
Net Cash Provided (Used) by Operating Activities	<u>(125,996)</u>	<u>298,044</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase) Decrease in:		
Fixed Assets	(1,059)	-
Investments	<u>-</u>	<u>5,264</u>
Net Cash Provided (Used) by Financing Activities	<u>(1,059)</u>	<u>5,264</u>
Net Increase (Decrease) in Cash	(127,055)	303,308
Cash, beginning of the year	<u>520,139</u>	<u>216,831</u>
Cash, end of the year	<u><u>\$ 393,084</u></u>	<u><u>\$ 520,139</u></u>

The accompanying notes are an integral part of these statements.

NASHVILLEHEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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 \$266,440 and \$240,064 of net assets without donor restrictions as of June 30, 2019 and 2018, 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, 2019 and 2018.

NASHVILLEHEALTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 AND 2018

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 of three months or less to be cash and cash equivalents. The cash accounts are held by financial institutions, and the balance on the Bank of America account currently exceeds the insurance coverage of the Federal Deposit Insurance Corporation (FDIC).

Accounts Receivable and Allowance for Doubtful Accounts

It is the policy of the Organization to record accounts receivable when the amount to be received becomes known. Management considers all receivables as of June 30, 2019 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Prepaid Expenses

Prepaid expenses consists of insurance payments made prior 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.

NASHVILLEHEALTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 AND 2018

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, 2019 and 2018, all contributions are considered unrestricted.

NASHVILLEHEALTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 AND 2018

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.

2. CASH

Cash consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Bank of America Checking	\$ 375,678	\$ 502,669
Merrill Lynch	17,406	17,470
	<hr/>	<hr/>
Total Cash	<u>\$ 393,084</u>	<u>\$ 520,139</u>

3. DEFERRED REVENUE

Deferred Revenue as of June 30, 2019 and 2018 consists of the following funds designated for use in future years:

	<u>2019</u>	<u>2018</u>
2019	\$ -	\$ 230,464
2020	96,436	50,000
	<hr/>	<hr/>
Total Deferred Revenue	<u>\$ 96,436</u>	<u>\$ 280,464</u>

NASHVILLEHEALTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 AND 2018

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, 2019 and 2018, the Organization received in-kind donated services and facilities as follows:

	<u>2019</u>	<u>2018</u>
Marketing	\$ 52,600	\$ 52,500
Rent	23,220	15,930
Gifts	1,000	81
	<hr/>	<hr/>
Total In-Kind Donations	<u>\$ 76,820</u>	<u>\$ 68,511</u>

5. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2019 and 2018, reduced by amounts not available for general use:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	<u>\$ 393,084</u>	<u>\$ 520,139</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 393,084</u>	<u>\$ 520,139</u>

There is an adequate amount of financial assets available as of June 30, 2019 and 2018. The Organization effectively manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 13, 2019 which is the date the financial statements were available to be issued.