

STAND UP NASHVILLE

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)**

**STAND UP NASHVILLE
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Stand Up Nashville
223 Rosa L Parks Avenue, Suite 300
Nashville, TN 37203

Opinion

We have audited the accompanying financial statements of Stand Up Nashville (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Stand Up Nashville as of December 31, 2021, and the changes in net assets and its cash flows for the year 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 Stand Up Nashville 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 Stand Up Nashville'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 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.

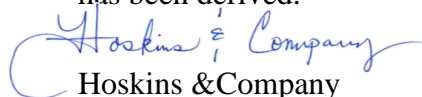
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Stand Up Nashville'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 Stand Up Nashville'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.

Report on Summarized Comparative Information

We have previously audited Stand Up Nashville's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hoskins & Company
Nashville, TN

June 16, 2022

STAND UP NASHVILLE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 652,923	\$ 507,503
Accounts receivable	<u>100,000</u>	<u>-</u>
Total current assets	<u>752,923</u>	<u>507,503</u>
Non-current assets		
Property, plant, and equipment (Note 4)	<u>4,540</u>	<u>-</u>
Total non-current assets	<u>4,540</u>	<u>-</u>
Total assets	<u><u>\$ 757,463</u></u>	<u><u>\$ 507,503</u></u>
Liabilities and net assets		
Current liabilities (Note 7)	\$ 43,147	\$ 1,773
Payroll accrual (Note 5)	<u>21,346</u>	<u>-</u>
Total current liabilities	<u>64,493</u>	<u>1,773</u>
Net assets		
Without donor restrictions	<u>692,970</u>	<u>505,730</u>
Total net assets	<u>692,970</u>	<u>505,730</u>
Total liabilities and net assets	<u><u>\$ 757,463</u></u>	<u><u>\$ 507,503</u></u>

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

STAND UP NASHVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

	Without	With		
Revenues and support	<u>Donor restrictions</u>	<u>Donor restrictions</u>	<u>2021</u>	<u>2020</u>
Contributions	\$ 32,137	\$ -	\$ 32,137	\$ 16,275
Agency grants	692,539	-	692,539	656,000
Direct public support	21,000	-	21,000	-
Other revenue	-	-	-	734
Total revenues and support	<u>745,676</u>	<u>-</u>	<u>745,676</u>	<u>673,009</u>
 Expenses				
Program services	231,054	-	231,054	137,250
Management & general	322,352	-	322,352	118,540
Fundraising	<u>5,030</u>	<u>-</u>	<u>5,030</u>	<u>-</u>
Total expenses	<u>558,436</u>	<u>-</u>	<u>558,436</u>	<u>255,790</u>
 Increase in net assets	187,240	-	187,240	417,219
Net assets at beginning of year	<u>505,730</u>	<u>-</u>	<u>505,730</u>	<u>88,511</u>
Net assets at end of year	<u>\$ 692,970</u>	<u>\$ -</u>	<u>\$ 692,970</u>	<u>\$ 505,730</u>

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

STAND UP NASHVILLE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

	Program Services	Management & General	Fundraisin g	Total Expenses	2020 Total Expenses
Accounting fees	\$ -	\$ 25,653	\$ -	\$ 25,653	6,978
Advertising and promotion	11,791	8,637	-	20,428	18,951
Compensation of officers	-	109,373	-	109,373	67,500
Contracted services	2,900	27,883	1,300	32,083	39,025
Continuing education	-	5,700	-	5,700	-
Depreciation	-	1,653	-	1,653	-
Direct Lobbying	190	-	-	190	-
Dues and Subscriptions	-	1,325	-	1,325	1,178
Employee benefits	-	-	-	-	10,800
Equipment rental	-	940	-	940	-
Grants and other assistance	-	-	-	-	11,300
Insurance	-	2,488	-	2,488	2,480
Legal fees	-	4,250	-	4,250	7,057
Meeting food costs	315	2,554	3,730	6,599	1,079
Miscellaneous	-	2,178	-	2,178	-
Occupancy	-	21,260	-	21,260	148
Office expenses	125	14,300	-	14,425	4,887
Other Salaries	167,878	76,874	-	244,752	70,609
Payroll taxes	12,843	12,615	-	25,458	10,049
Printing and copying	-	1,667	-	1,667	1,632
Program costs	1,374	-	-	1,374	334
Program sponsorship	33,638	-	-	33,638	-
Travel	-	3,002	-	3,002	1,783
Total	<u>\$ 231,054</u>	<u>\$ 322,352</u>	<u>\$ 5,030</u>	<u>\$ 558,436</u>	<u>\$ 255,790</u>

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

STAND UP NASHVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS
DECEMBER 31, 2020)

	2021	2020
Cash flows from operating activities		
Increase in net assets	\$ 187,240	\$ 417,219
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,653	-
Increase in accounts receivable	(100,000)	-
Increase in current liabilities	41,374	1,773
Increase in payroll accrual	21,346	-
Net cash provided by operating activities	<u>151,613</u>	<u>418,992</u>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(6,193)	-
Net cash used in investing activities	<u>(6,193)</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	145,420	418,992
Cash and cash equivalents, beginning of year	<u>507,503</u>	<u>88,511</u>
Cash and cash equivalents, end of year	<u><u>\$ 652,923</u></u>	<u><u>\$ 507,503</u></u>

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

STAND UP NASHVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Stand Up Nashville is a not-for-profit corporation organized in the State of Tennessee on July 27, 2018, with a commitment to addresses racial and economic inequality through strategic research, popular education and organizing. Also, it inspires and empower in diverse base to build a stronger community that values the lives of Nashville's people of color and working families. By organizing communities, Stand Up Nashville fights poverty with strategic action around public investment and city planning to create thriving neighborhoods and shared prosperity.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

The financial statement presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification 958 (FASB ASC 958) financial statements of not-for-profit Organizations. Under FASB ASC 958, Stand-up Nashville 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.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets without donor restrictions are free of donor imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donors' stipulations results in the release of such restrictions.

Net Assets with donor restrictions — Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of the Organization. Net assets with donor restrictions are designated by donors for specific purposes and include unconditional pledges. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donors of substantially all net assets to be held in perpetuity permit the Organization to use a portion of the income earned on the related investments for specified purposes. Expirations of restrictions on net assets as the result of the passage of time and/or fulfilling donor-imposed stipulations are reported as net assets released from restrictions between the applicable classes of net assets in the statements of activities.

STAND UP NASHVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As of December 31, 2021, Stand-up Nashville had no net assets with donor restrictions.

Income Taxes

Stand Up Nashville is qualified as a tax-exempt organization as defined under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provisions for income taxes are applicable.

Functional Expenses

Management allocates expenses on a functional basis among its various programs including support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts. At year-end and throughout the year, the Stand-up Nashville cash balance was deposited at bank.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of buildings (40 years), land improvements (5 to 20 years) and furniture and equipment (3 to 15 years). At the time property, plant and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation are adjusted, and any gain or loss on disposal is included in the statement of changes in net assets. Additionally, the Organization periodically reviews the carrying value of property, plant and equipment and will recognize impairments when the expected future operating cash flow derived from such assets is less than their carrying value.

Revenue, Support, and Expenses

Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net asset with donor restriction reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

STAND UP NASHVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2--- LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Cash and cash equivalent	\$ 652,923
Total Financial assets	\$ 652,923
Restricted by donor with purpose restriction	-
Financial assets available to meet cash needs for General Expenditures within one year	\$ 652,923

NOTE 3---CONCENTRATION OF CREDIT RISK

The Organization maintains a single bank account in Cedar Stone Bank. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at the 2021 and 2020 year ends exceeded federally insured limits by \$402,923 and \$257,503, respectively.

NOTE 4---PROPERTY AND EQUIPMENT

The Organization has property and equipment recorded at cost at the time of acquisition or at the fair market value at the time of donation.

Depreciation expense as of December 31, 2021 and 2020 was \$1,653 and \$0, respectively. A summary of property and equipment as of December 31, 2021:

Furniture and equipment	\$ 6,193
Less: accumulated depreciation	(1,653)
Total	\$ 4,540

STAND UP NASHVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

NOTE 5—COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on length of service. Employees are allowed to accumulate sick leave indefinitely and, upon separation, are paid out any unused sick pay at a rate of 3/4 of the employees' current pay rate. A maximum of 21 days of accrued and unused accrued sick pay shall roll over to subsequent years following the year of accrual. An employee cannot accrue more than 160 hours of vacation days at any given time. Employees are expected to take at least 50% of all vacation accrual each year. Employees can also carry over earned vacation. Accordingly, the following liabilities are recorded as of December 31, 2021:

Accrued sick pay and vacation	\$ 21,346
	<u>\$ 21,346</u>

NOTE 6---CONCENTRATION OF REVENUE

Approximately 93% of Stand Up Nashville's revenue is derived from grants. The current level of Stand-up Nashville' operations and services may be impacted or discontinued if the funding is not renewed.

NOTE 7---CURRENT LIABILITIES

Stand-up Nashville had the following current liabilities as shown below:

Credit card	\$ 1,576
Accounts payable	37,087
Others	154
Accrued payroll	<u>4,330</u>
Total	\$ <u>43,147</u>

NOTE 8—ADVERTISING

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place. During 2021, advertising expense was \$13,904.

NOTE 9---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of June 16, 2022, the date management evaluated such events. June 16, 2022 is the date the financial statements were available to be issued.