

TENNESSEE EMERGENCY NUMBER ASSOCIATION
FINANCIAL STATEMENT PREPARATION REVIEW
DECEMBER 31, 2022

I have reviewed the attached financial statements and the attached disclosure checklist.

The following issues needs to be corrected and/or addressed:

OR

I see no corrections to be made or issues to address. After reviewing the disclosure checklist, I believe the financials are complete and accurate. I approve the draft financial statements to be issued.

Justin Crowther, Treasurer

Date

TENNESSEE EMERGENCY NUMBER ASSOCIATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022

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Independent Auditor's Report

Board of Directors
Tennessee Emergency Number Association
Smyrna, Tennessee 37167

Opinion

We have audited the accompanying financial statements of Tennessee Emergency Number Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities 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 Tennessee Emergency Number Association as of December 31, 2022, 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.

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 Tennessee Emergency Number Association 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 Tennessee Emergency Number Association'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 Tennessee Emergency Number Association'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 Tennessee Emergency Number Association'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.

Arthur Associates, PLLC

June 20, 2023

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**TENNESSEE EMERGENCY NUMBER ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

CURRENT ASSETS

Cash	<u>\$ 165,573</u>
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TOTAL ASSETS	<u><u>\$ 165,573</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	<u>-</u>
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TOTAL CURRENT LIABILITIES	<u>-</u>
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NET ASSETS

Net assets without donor restrictions	<u>165,573</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 165,573</u></u>
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The accompanying notes are an integral part of these statements.

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUE

Conference Fees	
Attendee Conference Registration	\$ 88,301
Industry Partner Registration	41,305
Banquet Tickets	1,200
Day Passes	4,500
Golf Outing Registration	1,200
Addition Industry Partner Booth	1,800
Sponsorships	37,104
Membership Dues	29,397
NENA Dues	5,704
Credit Card Processing Fees	1,922
ENP Scholarships	1,175
Interest	1,554
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TOTAL SUPPORT AND REVENUE	215,162

EXPENSES

Program services

Conference Expenses	
Food & Beverages	65,208
AV Fees, Booth Setup Fees, Electric	39,058
CEU's, Conference Instructors, Speaker Expenses	21,786
Hotel Rooms, Meeting Rooms	8,956
Registration Software, Training	40,307
Tickets, Guides, Handouts, Signs, Shirts, Badges	7,245
Awards & Door Prizes	1,683
Golf Outing	2,966
Off-site IP Event	4,200
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Total program services	191,409

Support services

Legal Counsel Contract	20,917
Executive Director Contract	21,732
Audit	4,000
Insurance	3,377
Service Charges	2,400
ENP Scholarship	4,490
Event Expenses	-
Office Expenses	2,182
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Total support services	59,098

TOTAL EXPENSES

250,507

CHANGE IN NET ASSETS

(35,345)

NET ASSETS - BEGINNING

200,918

NET ASSETS - ENDING

\$ 165,573

The accompanying notes are an integral part of these statements.

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$ (35,345)
Adjustments to reconcile net assets to net cash provided by operating activities:	
Interest income	(1,554)
(Increase) decrease in prepaid expenses	<u>-</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(36,899)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	1,554
Redemption of certificates of deposit	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,554</u>
INCREASE (DECREASE) IN CASH	(35,345)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>200,918</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>165,573</u></u>

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**TENNESSEE EMERGENCY NUMBER ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - GENERAL

Tennessee Emergency Number Association (TENA) is a nonprofit organization which was established in 1985 following the passage of the Emergency Communications Act. The membership of TENA is comprised of public safety communications professionals representing the Emergency Communications Districts throughout Tennessee. In addition, individuals from the public safety industry also hold membership. TENA is governed by a twelve-member Board of Directors who are elected at the organization's annual conference. TENA serves as a unified voice and a source for networking for emergency communications districts across the state and takes an active role in legislative, educational, and operational concerns. TENA acts as a unified organization to represent the interests of all emergency communications districts statewide. Revenues are derived from conference fees and membership dues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

TENA follows Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958-205 – *Not-for-Profit Organizations Presentation of Financial Statements*, for the presentation of its financial statements. TENA reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. Temporarily restricted net assets at year end are generally available for use during the next fiscal year.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The financial statements are accounted for using the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of TENA are classified and reported as follows:

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

NOTE 3 - CASH

Cash balances maintained at banks by TENA throughout the year and at December 31 were entirely covered by FDIC insurance. Cash and cash equivalents, as used in the statement of cash flows, is comprised entirely of demand deposit accounts.

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - ESTIMATES AND ASSUMPTIONS

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. Actual results could differ from those estimates.

NOTE 5 - TAX EXEMPTION

TENA is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (6) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. TENA has no excise or unrelated business income.

TENA's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 6 – REVENUE

TENA receives its operating revenue from (1) membership dues, which are based on the last national census population figures for each entity and (2) conference registration and exhibitor fees, which are used for the expense of the annual conference as well as instructor fees for continuing education.

NOTE 7 - EVENTS OCCURRING AFTER REPORTING DATE

Management has evaluated events and transactions that occurred between December 31, 2022 and June 20, 2023, the date the financial statements were available to be issued, for possible recognition in the financial statements.

June 20, 2023

To the Board of Directors
Tennessee Emergency Number Association

We have audited the financial statements of Tennessee Emergency Number Association (TENA) for the year ended December 31, 2022, and have issued our report thereon dated June 20, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Standards

As stated in our engagement contract, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit in accordance with provisions specified in the engagement letter that was dated March 22, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by TENA are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 20, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to TENA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the TENA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Due to the nature and size of the organization, duties are inadequately segregated regarding collection, recording, and disbursing of funds. Management should continue to keep all board members involved and informed.

This information is intended solely for the use of the board of directors and management of TENA and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Malvin Associates, PLLC

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