

TENNESSEE EMERGENCY NUMBER ASSOCIATION

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2019**

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Independent Auditor's Report

Board of Directors
Tennessee Emergency Number Association
Smyrna, Tennessee 37167

We have audited the accompanying financial statements of Tennessee Emergency Number Association (a nonprofit organization), which comprise the statement of financial position as of and for the year ended December 31, 2019, 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 of 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 Tennessee Emergency Number Association as of December 31, 2019, 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.

September 9, 2020

Godwin & Associates, PLLC

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash	\$ 119,510
Certificate of deposit	<u>101,665</u>

TOTAL ASSETS	<u>\$ 221,175</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>221,175</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 221,175</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, 2019**

WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUE

Conference Fees	
Attendee Conference Registration	\$ 92,050
Industry Partner Registration	36,850
Banquet Tickets	1,750
Day Passes	4,000
Golf Outing Registration	2,700
Addition Industry Partner Booth	1,700
Sponsorships	38,602
Membership Dues	31,026
NENA Dues	5,029
Interest	2,436
TOTAL SUPPORT AND REVENUE	216,143

EXPENSES

Program services

Conference Expenses	
Food & Beverages	69,449
AV Fees, Booth Setup Fees, Electric	25,693
CEU's, Conference Instructors, Speaker Expenses	20,756
Hotel Rooms, Meeting Rooms	5,242
Tickets, Guides, Handouts, Signs, Shirts, Badges	11,922
Awards & Door Prizes	1,328
Golf Outing	3,310
Entertainment	3,900
Total program services	141,600

Support services

Legal Counsel Contract	20,000
Executive Director Contract	20,697
Audit	4,000
Incentive Pay	1,200
Registration Software	9,236
Insurance	2,304
Service Charges	2,588
ENP Scholarship	2,150
Event Expenses	2,306
Office Expenses	2,130
Surety Bond Expense	359
Travel Expense	1,954
Total support services	68,924

TOTAL EXPENSES	210,524
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CHANGE IN NET ASSETS	5,619
NET ASSETS - BEGINNING	215,556
NET ASSETS - ENDING	\$ 221,175

The accompanying notes are an integral part of these statements.

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 5,619
Adjustments to reconcile net assets to net cash provided by operating activities:	
Interest income	(2,436)
(Increase) decrease in prepaid expenses	<u>-</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 3,183

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	2,436
Purchase of certificate of deposit	(100,000)
Reinvested in certificate of deposit	<u>(1,665)</u>

NET CASH USED FOR INVESTING ACTIVITIES (99,229)

INCREASE (DECREASE) IN CASH (96,046)

CASH AND CASH EQUIVALENTS - BEGINNING 215,556

CASH AND CASH EQUIVALENTS - ENDING 119,510

**TENNESSEE EMERGENCY NUMBER ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 June 30 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, 2019**

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 2015, 2016, and 2017 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, 2019 and September 9, 2020, the date the financial statements were available to be issued, for possible recognition in the financial statements.

NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented with the exception of the disclosure of liquidity and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14.