

**TENNESSEE RIGHT TO LIFE, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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Independent Auditors' Report

To the Board of Directors
Tennessee Right to Life, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tennessee Right to Life, Inc. (a Tennessee not-for-profit corporation), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Right to Life, Inc. as of December 31, 2018 and 2017, 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
September 9, 2019

TENNESSEE RIGHT TO LIFE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash	\$ 67,178	\$ 85,001
Related party receivables	9,233	7,709
Property and equipment, net	<u>388,593</u>	<u>390,915</u>
TOTAL ASSETS	<u><u>\$ 465,004</u></u>	<u><u>\$ 483,625</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 33,333	\$ 14,825
Accrued payroll and payroll liabilities	4,335	7,164
Trade note payable	38,156	39,220
Note payable	<u>60,997</u>	<u>70,472</u>
Total Liabilities	136,821	131,681
Net Assets - Without donor restrictions	<u>328,183</u>	<u>351,944</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 465,004</u></u>	<u><u>\$ 483,625</u></u>

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

TENNESSEE RIGHT TO LIFE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUES AND SUPPORT		
Contributions	\$ 191,122	\$ 217,728
Special events revenue	191,871	181,254
Interest income	57	86
	<u>383,050</u>	<u>399,068</u>
Total Revenues and Support		
EXPENSES		
Program services	288,648	285,613
Supporting services		
Management and general	66,512	62,199
Fundraising	51,651	53,156
	<u>406,811</u>	<u>400,968</u>
Total Expenses		
DECREASE IN NET ASSETS	(23,761)	(1,900)
NET ASSETS, BEGINNING OF THE YEAR	<u>351,944</u>	<u>353,844</u>
NET ASSETS, END OF THE YEAR	<u>\$ 328,183</u>	<u>\$ 351,944</u>

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

TENNESSEE RIGHT TO LIFE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 134,057	\$ 28,727	\$ 28,727	\$ 191,511
Pro-life events	32,057	-	-	32,057
Printing and publications	18,454	5,273	2,636	26,363
Postage and shipping	16,892	4,826	2,413	24,131
Insurance	13,578	3,879	1,940	19,397
Occupancy	11,112	3,175	1,587	15,874
Depreciation	7,925	2,264	1,132	11,321
Professional fees	-	9,104	-	9,104
General advertising	8,170	-	-	8,170
Professional fundraising fees	-	-	8,000	8,000
Fair booth	7,095	-	-	7,095
Legislation	6,065	-	-	6,065
Interest	3,327	951	475	4,753
Equipment rental and maintenance	2,977	851	425	4,253
Telephone	2,536	725	362	3,623
Presentation events	3,570	-	-	3,570
Software	2,851	357	357	3,565
Literature	3,329	-	-	3,329
Web site fees	2,262	646	323	3,231
Property taxes	2,197	628	314	3,139
Oratory contests	2,737	-	-	2,737
Utilities	1,886	539	269	2,694
Gifts	-	2,289	-	2,289
Bank charges	-	1,766	-	1,766
Promotional materials	-	-	1,654	1,654
Office supplies	1,135	324	162	1,621
Grants	1,200	-	-	1,200
Political programs	1,177	-	-	1,177
Conferences and conventions	946	-	-	946
Mothers day advertisement	800	-	-	800
Other fundraising	-	-	750	750
Miscellaneous	313	188	125	626
Total Expenses	\$ 288,648	\$ 66,512	\$ 51,651	\$ 406,811

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

TENNESSEE RIGHT TO LIFE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 122,234	\$ 26,193	\$ 26,193	\$ 174,620
Pro-life events	37,357	-	-	37,357
Printing and publications	20,698	5,914	2,957	29,569
Postage and shipping	19,247	5,499	2,750	27,496
Insurance	10,149	2,900	1,450	14,499
Occupancy	11,146	3,185	1,592	15,923
Depreciation	7,639	2,183	1,091	10,913
Professional fees	-	8,758	-	8,758
General advertising	5,035	-	-	5,035
Professional fundraising fees	-	-	11,500	11,500
Fair booth	6,477	-	-	6,477
Legislation	12,519	-	-	12,519
Interest	3,639	1,040	520	5,199
Equipment rental and maintenance	2,715	776	388	3,879
Telephone	2,380	680	340	3,400
Presentation events	2,263	-	-	2,263
Software	2,949	369	369	3,687
Literature	2,237	-	-	2,237
Web site fees	2,495	312	312	3,119
Property taxes	2,196	628	314	3,138
Oratory contests	3,423	-	-	3,423
Utilities	1,699	485	243	2,427
Gifts	-	689	-	689
Bank charges	-	1,788	-	1,788
Promotional materials	-	-	2,679	2,679
Office supplies	1,576	450	225	2,251
Grants	3,330	-	-	3,330
Political programs	103	-	-	103
Conferences and conventions	741	-	-	741
Mothers day advertisement	783	-	-	783
Other fundraising	-	-	-	-
Miscellaneous	583	350	233	1,166
Total Expenses	<u>\$ 285,613</u>	<u>\$ 62,199</u>	<u>\$ 53,156</u>	<u>\$ 400,968</u>

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

TENNESSEE RIGHT TO LIFE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (23,761)	\$ (1,900)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation	11,321	10,913
(Increase) decrease in related party receivables	(1,524)	1,675
Increase (decrease) in accounts payable	18,508	(5,226)
(Decrease) increase in accrued payroll and payroll liabilities	<u>(2,829)</u>	<u>2,373</u>
Net Cash Provided by Operating Activities	<u>1,715</u>	<u>7,835</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>(8,999)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(8,999)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on trade note payable	(1,064)	(1,011)
Payments on note payable	<u>(9,475)</u>	<u>(9,081)</u>
Net Cash Used by Financing Activities	<u>(10,539)</u>	<u>(10,092)</u>
NET DECREASE IN CASH	(17,823)	(2,257)
CASH, BEGINNING OF THE YEAR	<u>85,001</u>	<u>87,258</u>
CASH, END OF THE YEAR	<u>\$ 67,178</u>	<u>\$ 85,001</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash payments for interest	<u>\$ 4,753</u>	<u>\$ 5,199</u>

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

**TENNESSEE RIGHT TO LIFE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Tennessee Right to Life, Inc. (the Organization) is a Tennessee not-for-profit corporation consisting of 21 (20 in 2017) chapters located across the state of Tennessee. Financial activities of the chapters are combined in the accompanying financial statements. Material inter-chapter activities, if any, are eliminated from the accompanying financial statements. The purpose of the Organization is to promote the dignity and protect the rights that are possessed by all human beings from the moment of conception, including the greatest right of all, the right to life itself. The Organization is primarily supported by donations from individuals and special fundraising events.

The Organization seeks to educate the public regarding current legislative and judiciary decisions that affect the right to life and to coordinate the activities of many groups which have purposes similar to those of Tennessee Right to Life, Inc. The Organization is an affiliate of the National Right to Life Committee. With more than 3,000 local chapters and affiliates in all fifty states, the National Right to Life Committee is the nation's largest and best-known pro-life organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. There were no net assets with donor restrictions at December 31, 2018 and 2017.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment

It is the Organization's policy to capitalize all property and equipment over \$500. Property and equipment acquisitions are recorded at cost. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful lives of the assets ranging from five to forty years and is computed on a straight-line method.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**TENNESSEE RIGHT TO LIFE, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (continued)

Contributed property and equipment are recorded at estimated fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Various volunteers donate many hours to the Organization's program services and fundraising campaigns. These donated services are reflected in the financial statements only when the services require specialized skills.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Printing and publications	Estimated usage
Postage and shipping	Estimated usage
Insurance	Facility square footage
Occupancy	Facility square footage
Depreciation	Facility square footage
Interest	Facility square footage
Equipment rental and maintenance	Facility square footage
Telephone	Estimated usage
Software	Estimated usage
Website fees	Estimated usage
Property taxes	Facility square footage
Utilities	Facility square footage
Office supplies	Estimated usage
Miscellaneous	Facility square footage

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 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 Organization has adjusted the presentation of these statements accordingly.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018:

Financial assets at year end:	
Cash	\$ 67,178
Related party receivables	<u>9,233</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 76,411</u>

**TENNESSEE RIGHT TO LIFE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives year-round donations from individuals and the Organization makes specific appeals at strategic times of the year for specific projects. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2018	2017
Land	\$ 85,000	\$ 85,000
Building	435,568	426,569
Equipment and furniture	<u>10,600</u>	<u>10,600</u>
	531,168	522,169
Accumulated depreciation	<u>(142,575)</u>	<u>(131,254)</u>
	<u>\$ 388,593</u>	<u>\$ 390,915</u>

Depreciation expense was \$11,321 and \$10,913 for years ended December 31, 2018 and 2017.

NOTE 5 - TRADE NOTE PAYABLE

The Organization has an account payable with a vendor that has been converted to an informal note payable. The vendor has agreed to accept payments of \$250 per month until the obligation is paid. The principal and interest are calculated using an imputed interest of 5%.

A schedule of expected future principal payments are as follows:

Year ending December 31,	
2019	\$ 1,118
2020	1,175
2021	1,235
2022	1,298
2023	1,364
Thereafter	<u>31,966</u>
	<u>\$ 38,156</u>

NOTE 6 - NOTE PAYABLE

The Organization has a note payable with a bank that was used to fund the renovation of the office building. The note calls for monthly payments of principal and interest of \$1,024 at a fixed rate of 4.2%. The final balloon payment is due on July 16, 2020. The loan is collateralized by the real property being financed.

Annual principal maturities of the note payable are as follows for the years ended December 31:

2019	\$ 9,920
2020	<u>51,077</u>
	<u>\$ 60,997</u>

TENNESSEE RIGHT TO LIFE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 7 - OPERATING LEASES

The Organization has entered into an operating lease for an office copier. Future minimum lease payments under the operating lease are as follows for the year ended December 31:

2019		\$ 2,880
2020		3,840
2021		3,840
2022		3,840
2023		960
		<u>\$ 15,360</u>

Total facility and equipment rent expense was \$19,354 and \$19,319 for the years ended December 31, 2018 and 2017, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Organization maintains a close working relationship with three affiliated entities: Tennessee Right to Life Educational Fund, Inc. (the Fund), New Life Resources, Inc. (New Life), and Tennessee Right to Life Political Action Committee (the PAC). The four organizations have common members on their boards of directors.

The Organization shares program and administrative expenses with the Fund and New Life for equipment, supplies, employees, as well as rent, property taxes, and utilities. Some of these costs are recorded by the Organization and reimbursed by the Fund and New Life and some costs are paid separately by each entity at the time the invoice is received. The Organization provides administrative support to the PAC free-of-charge.

The Fund reimbursed the Organization \$83,839 (\$91,739 in 2017) for costs related to educational programs. These costs included occupancy, wages, equipment, postage, printing and other educational programming costs. These reimbursements have been reflected on the respective statements of functional expenses as a reduction of the associated expenses.

The Organization occasionally collects donations on behalf of the Fund. These donations are recorded as a liability at the time of collection. Donations in 2018 totaling \$8,548 (\$6,760 for 2017) were processed on behalf of the Fund and netted against reimbursements due from the Fund.

New Life paid the Organization \$9,177 (\$8,983 in 2017) to reimburse the Organization for certain shared personnel and administrative expenses.

Receivables at December 31, 2018 totaled \$9,233 which consisted of \$7,201 and \$2,032 due from the Fund and New Life, respectively. Receivables at December 31, 2017 totaled \$7,709 which consisted of \$6,924 and \$785 due from the Fund and New Life, respectively.

NOTE 9 - RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the balance sheet. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2019. The Organization's adoption of the new standard in 2020 will require quantitative and qualitative financial statement disclosures regarding the Organization's lease arrangements and balance sheet presentation of right of use assets and lease liabilities representative of the Organization's discounted future lease payments. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements in the subsequent years.

NOTE 10 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 9, 2019, which is the date the financial statements were available to be issued.

Payment confirmation

"Constant Contact via WePay" [support@wepay.com]

Sent: 3/17/2021 4:41 PM

To: ""ealbin@tnrtl.org" <ealbin@tnrtl.org>



You've received a \$135.64 payment from Debbie Chandler.

Payment was received for the following event: Pro-Life Women's Day 2021

To opt out of these notifications please go [here](#)

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