

**GILDA'S CLUB MIDDLE TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gilda's Club Middle Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Gilda's Club Middle Tennessee (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, 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 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 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 Organization'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 Organization'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 Gilda's Club Middle Tennessee as of December 31, 2017 and 2016, 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
June 26, 2018

**GILDA'S CLUB MIDDLE TENNESSEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

ASSETS

	2017	2016
Cash	\$ 236,139	\$ 253,906
Pledges receivable, net	72,333	-
Investments	1,463,272	1,326,200
Prepaid expenses	10,785	17,281
Purchased membership rights, net	112,000	-
Property and equipment, net	2,142,519	2,190,824
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	<u>19,203</u>	<u>17,672</u>
TOTAL ASSETS	<u>\$ 4,056,251</u>	<u>\$ 3,805,883</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	<u>\$ 50,931</u>	<u>\$ 11,783</u>
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NET ASSETS

Unrestricted		
Board designated		
Long-term stability funds	269,892	244,609
Clubhouse repair and maintenance funds	135,200	126,400
Undesignated	3,359,692	3,325,419
Temporarily restricted	221,333	80,000
Permanently restricted	<u>19,203</u>	<u>17,672</u>

Total Net Assets	<u>4,005,320</u>	<u>3,794,100</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,056,251</u>	<u>\$ 3,805,883</u>
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The accompanying notes are an integral part of these financial statements.

GILDA'S CLUB MIDDLE TENNESSEE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Changes in Unrestricted Net Assets		
Public support		
Individual, corporate gifts and grants	\$ 688,026	\$ 314,712
Donated goods and services	85,013	92,417
Special events (net of direct benefits to donors of \$72,976 and \$46,726 for 2017 and 2016, respectively)	119,262	260,362
Other income	2,000	830
Investment income	137,079	26,193
Interest income	4	955
	<u>1,031,384</u>	<u>695,469</u>
Total Unrestricted Support and Revenues	1,031,384	695,469
Net assets released from restrictions	<u>80,000</u>	<u>88,825</u>
Total Unrestricted Support, Revenues and Reclassifications	<u>1,111,384</u>	<u>784,294</u>
Functional Expenses		
Program services	836,241	799,941
Supporting services		
Management and general	101,866	104,796
Fundraising	89,171	113,228
	<u>1,027,278</u>	<u>1,017,965</u>
Total Unrestricted Functional Expenses	1,027,278	1,017,965
Increase (decrease) in unrestricted net assets	<u>84,106</u>	<u>(233,671)</u>
Changes in Temporarily Restricted Net Assets		
Contributions	205,583	80,000
Net assets released from restrictions	<u>(80,000)</u>	<u>(88,825)</u>
Increase (decrease) in temporarily restricted net assets	<u>125,583</u>	<u>(8,825)</u>
Changes in Permanently Restricted Net Assets		
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	<u>1,531</u>	<u>61</u>
Increase in permanently restricted net assets	<u>1,531</u>	<u>61</u>
INCREASE (DECREASE) IN NET ASSETS	211,220	(242,435)
NET ASSETS - BEGINNING OF YEAR	<u>3,794,100</u>	<u>4,036,535</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,005,320</u></u>	<u><u>\$ 3,794,100</u></u>

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

**GILDA'S CLUB MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

		<u>Supporting Services</u>		
	Program Services	Management and General	Fund- raising	Total
Compensation and related costs				
Compensation	\$ 436,900	\$ 71,323	\$ 59,287	\$ 567,510
Benefits	56,627	12,761	10,368	79,756
Contract labor	32,490	-	-	32,490
	<u>526,017</u>	<u>84,084</u>	<u>69,655</u>	<u>679,756</u>
Donated goods and services	84,291	433	289	85,013
Depreciation	50,734	1,602	1,068	53,404
Professional services	23,133	11,599	487	35,219
Special events expense	13,421	-	21,372	34,793
Repairs and maintenance	28,969	774	635	30,378
Amortization of golf club membership rights	7,000	-	21,000	28,000
Insurance	19,818	547	385	20,750
Utilities	19,058	602	401	20,061
Printing	16,101	96	1,132	17,329
Meetings and workshops	14,926	-	-	14,926
Dues and memberships	8,986	266	177	9,429
Supplies and materials	8,565	243	256	9,064
Telephone	7,807	247	164	8,218
Annual campaign	3,370	-	3,371	6,741
Banking and credit card fees	3,293	-	3,294	6,587
Postage	5,358	88	59	5,505
Outreach	5,273	-	-	5,273
Seminars and conferences	3,489	93	62	3,644
Interest	-	1,192	-	1,192
	<u>-</u>	<u>1,192</u>	<u>-</u>	<u>1,192</u>
Total expenses	849,609	101,866	123,807	1,075,282
Less direct benefits to donors	<u>(13,368)</u>	<u>-</u>	<u>(34,636)</u>	<u>(48,004)</u>
Total functional expenses	<u>\$ 836,241</u>	<u>\$ 101,866</u>	<u>\$ 89,171</u>	<u>\$ 1,027,278</u>

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

GILDA'S CLUB MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

		<u>Supporting Services</u>		
	Program	Management	Fund-	Total
	Services	and	raising	
		General		
Compensation and related costs				
Compensation	\$ 431,602	\$ 77,044	\$ 68,538	\$ 577,184
Benefits	52,360	11,799	9,587	73,746
Contract labor	20,103	238	159	20,500
	<u>504,065</u>	<u>89,081</u>	<u>78,284</u>	<u>671,430</u>
Donated goods and services	88,895	1,908	1,614	92,417
Depreciation	53,641	1,694	1,129	56,464
Professional services	-	9,400	5,000	14,400
Special events expense	35,219	-	49,148	84,367
Repairs and maintenance	22,269	685	457	23,411
Amortization of golf club membership rights	6,563	-	19,687	26,250
Insurance	19,649	620	414	20,683
Utilities	19,754	624	416	20,794
Printing	17,664	43	952	18,659
Meetings and workshops	10,655	-	-	10,655
Dues and memberships	8,468	29	19	8,516
Supplies and materials	7,423	238	142	7,803
Telephone	6,233	197	131	6,561
Annual campaign	1,842	-	1,842	3,684
Banking and credit card fees	4,343	-	4,344	8,687
Postage	5,912	113	82	6,107
Outreach	4,582	-	-	4,582
Seminars and conferences	5,198	164	109	5,471
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	822,375	104,796	163,770	1,090,941
Less direct benefits to donors	<u>(22,434)</u>	<u>-</u>	<u>(50,542)</u>	<u>(72,976)</u>
Total functional expenses	<u>\$ 799,941</u>	<u>\$ 104,796</u>	<u>\$ 113,228</u>	<u>\$ 1,017,965</u>

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

**GILDA'S CLUB MIDDLE TENNESSEE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 195,470	\$ (242,435)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Depreciation and amortization	81,404	82,714
Net gain on investments	(125,005)	(24,629)
Change in value of beneficial interest in agency endowment	(1,531)	(61)
Change in assets and liabilities		
Increase in pledges receivable	(56,583)	-
Decrease in prepaid expenses	6,496	887
Decrease in accounts payable and accrued expenses	(852)	(76,372)
Net Cash Provided By (Used By) Operating Activities	<u>99,399</u>	<u>(259,896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(5,099)	(8,512)
Payments for purchased membership rights	(100,000)	-
Proceeds from sale of investments	94,749	-
Purchase of investments	(106,816)	(1,301,571)
Maturity of certificates of deposit	-	765,386
Net Cash Used By Investing Activities	<u>(117,166)</u>	<u>(544,697)</u>
 NET DECREASE IN CASH	 (17,767)	 (804,593)
CASH - BEGINNING OF YEAR	<u>253,906</u>	<u>1,058,499</u>
CASH - END OF YEAR	<u><u>\$ 236,139</u></u>	<u><u>\$ 253,906</u></u>
 SUPPLEMENTAL DISCLOSURES		
Interest paid during the year	<u><u>\$ 1,192</u></u>	<u><u>\$ -</u></u>

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

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Gilda's Club Middle Tennessee (the "Organization") was organized in 1995 as a Tennessee not-for-profit corporation and became an affiliate of Cancer Support Community in 2009. The Organization provides evidence-based psychosocial emotional support for people living with cancer, their families and friends. Always free of charge, the Program includes a diagnostic distress screening, support groups, healthy living workshops and lectures, creative arts, children and teen programs, and social events. The Clinical Program Director ensures that all activities help members build essential emotional and social support as a necessary complement to medical care.

Individual gifts, corporate and foundation contributions, special events and estate gifts are the major sources of support for the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted net assets are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- Temporarily restricted net assets are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- Permanently restricted net assets are amounts required by donors to be held in perpetuity, including gifts requiring the principal to be invested and the income or specific portions thereof be used for operations. Included in this classification are agency endowment funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and the disclosures of commitments and contingencies. Actual results could differ from those estimates.

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the 2016 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Cash

Cash includes checking and money market deposits held by financial institutions.

Investments

Investments are held by a broker and consist of money market accounts, certificates of deposit, bonds, equities and equity mutual funds. The money market accounts and certificates of deposit are carried at cash value plus accrued interest. Bonds, equities and equity mutual funds are reported at quoted fair market value based on the last reported sale of the year on a national security exchange. Interest and dividends, as well as changes in unrealized gains and losses are recognized in the statements of activities and changes in net assets for the year.

Membership Rights

Purchased membership rights have been capitalized at acquisition cost and are being amortized by the straight-line method over the life of the agreement, which is five years.

Property and Equipment and Depreciation

It is the Organization's policy to capitalize all property and equipment over \$1,000. Property and equipment acquisitions are recorded at cost. Donations of property and equipment are recorded as revenues at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. 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 and changes in net assets 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 fifty years and computed on the straight-line method.

Agency Endowment Fund

The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Changes in the value of the fund are recognized in the statements of activities and changes in net assets, and distributions received from the fund are recorded as decreases in the beneficial interest and investment income.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the tax laws of the state of Tennessee.

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Donated Goods and Services

Donated goods are recorded at estimated fair value in the period the gift is received. Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, was performed by the donor who possesses such skills, and would have been purchased by the Organization if not provided by the donor. Such services are recognized at fair value as support and expense in the period the services are performed.

Functional Allocation of Expenses

The following program and supporting services classifications are included in the accompanying financial statements.

Program services consist of activities relating to support and networking groups, lectures, workshops and social events in a nonresidential, home-like setting (clubhouse facility), provided free of charge to adults and children living with cancer and to their families and friends.

Management and general relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include oversight, business management, budgeting, recordkeeping, financing, and other administrative activities.

Fundraising includes costs of activities directed toward appeals for financial support including special events. Other activities include the cost of solicitation and creation and distribution of fundraising materials.

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or subjective methods determined by management.

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consists of pledges made for the Organization's Red Door Campaign. Scheduled expected collections of pledges receivable are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 43,333
2019	28,750
2020	<u>250</u>
	<u>\$ 72,333</u>

Management has determined that no allowance for doubtful accounts is necessary as of December 31, 2017.

NOTE 4 - INVESTMENTS

In 2016, the Board of Directors under advisement of the Finance Committee, evaluated and approved an investment policy for the Organization's substantial cash reserves. Between June and December, \$1.3 million fully funded the investment account in accordance with a conservative growth strategy.

The Organization's investments consist of the following as of December 31:

	2017	2016
Liquid money market funds	\$ 94,760	\$ 196,464
Certificates of deposit	198,524	-
Taxable bonds	416,833	468,276
Equities and equity funds	<u>753,155</u>	<u>661,460</u>
	<u>\$ 1,463,272</u>	<u>\$ 1,326,200</u>

Investment income includes the following for the year ended December 31:

	2017	2016
Dividends and interest	\$ 29,722	\$ 9,243
Net gain on investments	125,005	24,629
Investment expenses	<u>(17,648)</u>	<u>(7,679)</u>
	<u>\$ 137,079</u>	<u>\$ 26,193</u>

GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4 - INVESTMENTS (CONTINUED)

Accounting principles generally accepted in the United States of America require the Organization to disclose the basis for considering market participant assumptions in fair value measurements. Fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The following table sets forth the Organization's major categories of investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31:

	2017			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liquid money market funds	\$ 94,760	\$ 94,760	\$ -	\$ -
Certificates of deposit	198,524	198,524	-	-
Taxable bonds	416,833	-	416,833	-
Equities and equity funds	<u>753,155</u>	<u>753,155</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,463,272</u>	<u>\$ 1,046,439</u>	<u>\$ 416,833</u>	<u>\$ -</u>

	2016			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liquid money market funds	\$ 196,464	\$ 196,464	\$ -	\$ -
Certificates of deposit	-	-	-	-
Taxable bonds	468,276	-	468,276	-
Equities and equity funds	<u>661,460</u>	<u>661,460</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,326,200</u>	<u>\$ 857,924</u>	<u>\$ 468,276</u>	<u>\$ -</u>

NOTE 5 - MEMBERSHIP RIGHTS

During 2017, the Organization entered into a 5-year agreement with the Golf Club of Tennessee (the "Club") for \$140,000 for certain membership rights. Of this amount, \$100,000 was paid at the time of signing the agreement and an additional \$10,000 will be paid over each of the next four years. These rights allow for five years of annual fundraising golf tournaments at the Club and the right to limited use of the Club's facilities for the cultivation and solicitation of donors. The Organization has no equity or ownership or any other property interest in the Club. The Organization is amortizing the cost of the membership rights over the term of the agreement. Prior to 2017, the Organization had a similar, 10-year agreement which expired in 2016.

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 5 - MEMBERSHIP RIGHTS (CONTINUED)

For the years ended December 31, 2017 and 2016, the Organization reported amortization expense of \$28,000 and \$26,250, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

:

	2017	2016
Land	\$ 350,000	\$ 350,000
Building and improvements	2,296,032	2,296,032
Furniture and equipment	<u>70,364</u>	<u>174,246</u>
	2,716,396	2,820,278
Accumulated depreciation	<u>(573,877)</u>	<u>(629,454)</u>
	<u>\$ 2,142,519</u>	<u>\$ 2,190,824</u>

Depreciation expense was \$53,404 and \$56,464 for 2017 and 2016, respectively.

NOTE 7 - AGENCY ENDOWMENT FUND / PERMANENTLY RESTRICTED NET ASSETS

The Organization has a beneficial interest in an endowment fund held by the Community Foundation of Middle Tennessee (the "CFMT") that is classified as a permanently restricted net asset. The Organization has granted variance power to the CFMT, and the CFMT has the ultimate authority and control over the Fund and the income derived there from. The fund is charged a .4% administrative fee annually. Upon request by the Organization, income from the fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary.

A schedule of changes in the Organization's beneficial interest in this fund follows for the years ended December 31:

	2017	2016
Balance – beginning of year	<u>\$ 17,672</u>	<u>\$ 17,611</u>
Change in value of beneficial interest:		
Contributions	-	40
Investment earnings	2,554	1,062
Grants paid out to the Organization	(900)	(900)
Administrative expenses	<u>(123)</u>	<u>(141)</u>
Net change	<u>1,531</u>	<u>61</u>
Balance – end of year	<u>\$ 19,203</u>	<u>\$ 17,672</u>

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	2017	2016
Grants for subsequent year programs	\$ 149,000	\$ 80,000
Pledges to the Red Door Campaign	<u>72,333</u>	<u>-</u>
	<u>\$ 221,333</u>	<u>\$ 80,000</u>

NOTE 9 - DONATED GOODS AND SERVICES

During 2017 and 2016, a substantial number of unpaid volunteers contributed an estimated 3,000 and 4,000 hours respectively, of their time to the Organization's program and supporting services. Volunteer hours totaling 1,303 and 1,409 for 2017 and 2016, respectively are recorded as donated services provided for workshops and administrative services. The remainder of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

The following in-kind contributions of goods and services have been included in unrestricted revenues and expenses/assets in the financial statements for the years ended December 31:

	2017	2016
Included in support/expenses		
Movement and fitness instruction	\$ 27,125	\$ 22,500
Healthcare providers	19,600	19,600
Computer technology support	14,440	14,400
Cooking and nutrition	6,000	4,200
Art instruction	5,880	3,000
Psychotherapists	2,200	9,400
Website maintenance	-	275
Food, supplies, tickets and gifts	<u>9,768</u>	<u>19,042</u>
	<u>\$ 85,013</u>	<u>\$ 92,417</u>
Included in special events/expenses		
Prizes, fees and materials	\$ 11,199	\$ 16,975
Personal trainers	-	12,850
Professional services	<u>-</u>	<u>4,003</u>
	<u>\$ 11,199</u>	<u>\$ 33,828</u>

NOTE 10 - CONCENTRATIONS

Of the Organization's total revenues for 2017, approximately 26% represent funds received from one foundation donor.

**GILDA'S CLUB MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 26, 2018 which is the date the financial statements were available to be issued.

In May 2018, the Organization celebrated the grand opening of its Williamson County, Tennessee location. This new program location is the Organization's first branch location.

NOTE 12 - RECENT ACCOUNTING PRONOUNCEMENTS

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 for Not-for-Profit Entities*, that is intended to improve financial reporting relating to liquidity, financial performance and cash flows.

More specifically, the changes affect net asset classifications by reflecting two classifications of net assets, one "without donor-imposed restrictions" and one "with donor-imposed restrictions," which differ from the traditional classifications of unrestricted, temporarily restricted, and permanently restricted. In addition, reporting of expenses by both natural and functional classification is required and investment returns must be reflected net of related investment expenses. The cash flow statement is also allowed to be restructured by using the direct method of reporting and there are further disclosures regarding an organization's liquidity.

The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements in the subsequent years.