2018
Financial Statements
With
Auditor's Letters

HOSPITAL HOSPITALITY HOUSE CORPORATION

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

(With Independent Auditor's Report Thereon)

HOSPITAL HOSPITALITY HOUSE CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2018

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PATTERSON, HARDEE & BALLENTINE, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Hospital Hospitality House Corporation

We have audited the accompanying financial statements of Hospital Hospitality House Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, 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 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 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 Hospital Hospitality House Corporation as of December 31, 2018, 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.

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Emphasis of Matter

As discussed in Note 16 to the financial statements, the restricted pledges receivable balance was overstated in previously issued financial statements. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of contributions and special events on pages 17 and 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Patterson Hardee & Ballentine

May 3, 2019

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current Assets:		
Cash	$ 2,421,055	
Investments	25,813	
Accounts receivable	1,255	
Contributions receivable, net	23,020	
Prepaid expenses	29,294	
Total current assets		$ 2,500,437
Property and Equipment, net		3,070,968
Assets Whose Use is Limited:		
Cash	2,006,861	
Restricted pledges, net	426,310	
Endowment	17,012	
Total assets whose use is limited		2,450,183
Total Assets		$ 8,021,588

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$ 1,583,946	
Accrued expenses	51,096	
Total current liabilities		$ 1,635,042
Net Assets:		
Without donor restrictions	3,936,363	
With donor restrictions	2,450,183	
Total net assets		6,386,546
Total Liabilities and Net Assets		$ 8,021,588

See accompanying notes to the financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity			
Public Support and Revenue:			
Gross special events revenue	$ 391,649	$ -	$ 391,649
Less direct costs of special events	(66,700)	-	(66,700)
Net special events revenue	324,949	-	324,949
Contributions	156,012	-	156,012
In-kind revenue	48,057	-	48,057
Total public support	204,069	-	204,069
Guest Revenue:			
Guest services provided	160,600	-	160,600
Less: services provided at no charge	(22,316)	-	(22,316)
Guest services provided, net	138,284	-	138,284
Other Income:			
Investment income, net	4,930	-	4,930
Total public support, guest revenue and other income	672,232	-	672,232
Operating Expenses:			
Program services	438,440	-	438,440
Management and general	143,214	-	143,214
Fundraising expenses	138,116	-	138,116
Total operating expenses	719,770	-	719,770
Net income from operating activities	(47,538)	-	(47,538)
Transition Activity			
Transitional Support:			
Transition income	303,600	-	303,600
Transition Expenses:			
Program services	48,950	-	48,950
Management and general	7,226	-	7,226
Total transition expenses	56,176	-	56,176
Net income from transitional activities	247,424	-	247,424
Subtotal	199,886	-	199,886

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
New Building Activity			
New Building Support:			
New facility contributions	$ -	$ 1,240,355	$ 1,240,355
Net assets released from restriction for specific purpose	2,689,571	(2,689,571)	-
Total new building support	2,689,571	(1,449,216)	1,240,355
Other New Building Activity:			
Disposition of old building	(265,324)	-	(265,324)
New Building Expenses:			
Program services	3,486	-	3,486
Net income from new building activity	2,420,761	(1,449,216)	971,545
Increase (decrease) in net assets	2,620,647	(1,449,216)	1,171,431
Net assets - beginning of year, as previously reported	1,415,716	3,899,399	5,315,115
Prior period adjustment	(100,000)	-	(100,000)
Net assets - beginning year, as restated	1,315,716	3,899,399	5,215,115
Net assets - end of year	$ 3,936,363	$ 2,450,183	$ 6,386,546

See accompanying notes to the financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Supporting Services		
	Program Services	Management and General	Fundraising Expenses	Total Expenses
Operating Expenses:				
Apartment expenses	$ 140,653	$ -	$ -	$ 140,653
Bank fees	6,319	-	2,106	8,425
Computer hardware and software	-	-	6,543	6,543
Depreciation	-	26,967	-	26,967
Equipment contracts	2,829	490	453	3,772
Food	3,334	-	-	3,334
In-kind expenses	48,057	-	-	48,057
Insurance	14,289	5,925	-	20,214
Leased employees (See Note 14)	145,086	84,928	123,854	353,868
Licenses and permits	729	1,094	-	1,823
Office supplies	1,687	1,738	1,687	5,112
Outreach	16,467	-	2,906	19,373
Printing	74	74	-	148
Professional development	-	1,361	-	1,361
Professional fees	15,428	15,428	-	30,856
Repairs and maintenance	17,067	1,896	-	18,963
Special events	-	-	66,700	66,700
Telephone	4,252	850	567	5,669
Utilities and occupancy	22,169	2,463	-	24,632
Total operating expenses	438,440	143,214	204,816	786,470
Less expenses included with revenues on the statement of activities:				
Direct costs of special events	-	-	(66,700)	(66,700)
Total operating expenses included in the operating expense section on the statement of activities	438,440	143,214	138,116	719,770
Transition Expenses:				
Equipment contracts	1,575	525	-	2,100
Insurance	197	66	-	263
Office supplies	314	638	-	952
Trash pickup	-	790	-	790
Utilities and occupancy	46,864	5,207	-	52,071
Total transition expenses	48,950	7,226	-	56,176
New Building Expenses:				
Insurance	3,486	-	-	3,486
Total expenses by function	$ 490,876	$ 150,440	$ 138,116	$ 779,432

See accompanying notes to the financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows From Operating Activities:		
Increase in net assets		$ 1,171,431
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	$ 26,967	
Loss on disposal of fixed assets	265,324	
Investment loss, net	5,036	
Changes in:		
Accounts receivable	1,804	
Contributions receivable, net	(13,022)	
Prepaid expenses	2,337	
Assets whose use is limited	1,349,388	
Accounts payable	1,575,036	
Accrued expenses	(33,726)	
Total adjustments		3,179,144
Net cash provided by operating activities		4,350,575
Cash Flows From Investing Activities:		
Purchase of investments	(50)	
Purchase of property and equipment	(2,535,927)	
Net cash used in investing activities		(2,535,977)
Net increase in cash		1,814,598
Cash and cash equivalents - beginning of year		606,457
Cash and cash equivalents - end of year		$ 2,421,055

See accompanying notes to the financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - Nature of Activities

In these notes, the terms "Organization", "HHH", "we", "us" or "our" mean the Hospital Hospitality House Corporation. Since opening in 1974, we have provided over 425,000 nights of lodging, meals and other supportive services to patients and families, serving guests from all 95 counties in Tennessee, all 50 states in the U.S. and 39 foreign countries. We serve all area hospitals - including Centennial, Children's, Metro General, St. Thomas Midtown (formerly Baptist), St Thomas West, Women's & Children's at Centennial, Vanderbilt and the VA. We were the first House of its kind in the United States and we continue to be a model for hospitality houses opening around the country.

Our mission is to be a home away from home for patients and caregivers seeking medical treatment in Nashville hospitals by providing lodging, meals and other supportive services.

Overview of House Program Services

The Residence and HHH Apartments

We currently serve 18 families each night—ten rooms in the primary residence, and eight 1-2 bedroom apartments in the adjacent building, collectively providing 6,570 room nights annually. The apartments are offered to patients and families with stays of thirty days or longer in Nashville; these more secluded spaces are especially critical for those patients facing compromised immune systems. We provide meals and snacks, free laundry facilities, internet access, private rooms and baths. We offer evening activities: game nights and ice cream socials. The sense of community support fostered is an intentional but organic offering in the residence as guests and volunteers interact.

Families eligible to stay with us all live at least 50 miles outside Nashville (with the exception of some of the families of NICU patients). But unlike the criteria and stay limits imposed by some other medical lodging facilities, guests at HHH are patients and caregivers of all ages and ailments, and are welcome to stay for as long as the patient is receiving active care at a Nashville area hospital. In 2018, we served 604 families through this program, with 278 families checking in for overnight stays. In 2018, 216 guests were Tennessee residents. Another 247 traveled to Nashville from neighboring states and 141 lived even further away.

Day Services

For those caregivers who prefer to remain at the hospital or for the caregivers we unfortunately must turn away each day due to lack of space, we offer day services programs. Guests come to shower, do laundry, rest in our lounge, and have a bite to eat. This brief respite from the hospital rejuvenates caregivers while meeting their most basic needs. In 2018, we logged 332 check-ins for our day services program—up 72% over prior year, showing what we know to be growing need for these services in our city.

Partner Hotels

We work with a few local hotels that provide respite nights for families at a medical rate once our rooms are filled each night.

Waiting Room Adoption

HHH adopts 20 waiting rooms at local hospitals and clinics, including those in neighboring counties, providing baskets stocked with toiletries, snacks, and other items waiting friends and families—adults and children—may need.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes, therein, are classified and reported as follows:

> 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. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as unrestricted.
>
> 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Revenue

We receive contributions from foundations, congregations, corporations, hospitals, grantors and individuals. We recognize this revenue as it is received or promised to us in accordance with generally accepted accounting principles for non-profit organizations. We also receive revenues from guests who stay in our residence and partner hotels. Fees are based on the family's ability to pay and often there is no charge.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, we consider cash equivalents to be items that have an original maturity date of ninety days or less from the date of issuance or are liquid investments such as money market funds. At December 31, 2018, we had no cash equivalents.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give are recorded when the promises are made. In accordance with accounting standards, the pledge must be accompanied by verifiable documentation in order to be recognized. Unconditional promises to give due in the next year are reflected as current contributions receivable to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term contributions receivable and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. We use the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and our analysis of specific promises made.

NOTE 2 - Summary of Significant Accounting Policies (continued)

Investments

We use a framework for measuring fair value and disclosing fair values. We define fair value at the price which would be received to sell an asset in an orderly transaction between market participants at the measurement date. We use this framework for all assets and liabilities measured and reported on a fair value basis and enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires each asset and liability carried at fair value be classified into one of the following categories:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities
- Level 2 - Observable market based inputs or unobservable inputs corroborated by market data
- Level 3 - Unobservable inputs that are not corroborated by market data

All of our investments are based on level 1 inputs at the active market price as of December 31, 2018.

Prepaid expenses

Prepaid expenses consist of insurance premiums paid by us in advance.

Property and Equipment

Property and equipment are recorded at cost, or, if donated, at the estimated fair market value at the date of donation. Our capitalization policy is to capitalize any expenditure over $1,000 for property and equipment. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2018, no assets were considered to be impaired.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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 or supporting functions are allocated based on various relationships. Equipment contracts, office supplies, licenses and permits, printing, professional fees, repairs and maintenance are allocated on an expenditure by expenditure basis and allocated to the direct program benefited or to management and general if no programs are benefited. Leased employees and outreach are allocated based on time and effort. Utilities and occupancy and insurance are based on the size of the space used that benefit the program or management's use.

Advertising

Advertising is expensed as incurred.

NOTE 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The carrying values of current assets, current liabilities and restricted cash approximate fair values due to short maturities of these instruments. The carrying value of long-term contributions receivable approximates fair value within an insignificant amount.

New Accounting Pronouncement

On August 8, 2016, FASB issued 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 Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively and has not affected the beginning balance of net assets.

NOTE 3 - Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended	
Cash	$ 2,421,055
Investments	25,813
Accounts receivable	1,255
Contributions receivable	23,020
	2,471,143

The Organization has certain donor-restricted assets limited to use which are only available for restricted programs. Accordingly, these assets have been excluded in the qualitative information above.

In the next fiscal year, we plan to receive the same level of contributions, and consider contributions for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has minimal amounts of liabilities in order to maintain most of its financial assets to be readily available other than payables related to the construction of the new building. As of December 31, 2018, 99% of accounts payable are related to this construction.

NOTE 3 - Availability and Liquidity (continued)

All of our cash accounts are readily available. Additionally, we obtained a line of credit to address any immediate liquidity needs, if needed. See Note 8 for further disclosure of the line of credit.

We manage our liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately liquidate our investments, draw on the line of credit, or reduce spending of program and management and general expenditures.

NOTE 4 - Contributions Receivable, net

Contributions receivable consisted of the following at December 31, 2018:

Due in less than one year	$	165,020
Due in one or more years		302,000
		467,020
Less: discount to net present value		(13,690)
Less: allowance for doubtful accounts		(4,000)
Net contribution receivable	$	449,330

Contributions receivable as shown on the financial statements are as follows at December 31, 2018:

Contributions receivable, net	$	23,020
Restricted pledges, net		426,310
Net contributions receivable	$	449,330

Gross restricted pledges receivable of $440,000 for the new building made in 2018 have been discounted for the time value of money using a discount rate of 3.00%. The rate was determined using the prevailing market rate at the time the pledge was made. The net restricted pledges for the new building at December 31, 2018, was $426,310.

NOTE 5 - Investments

At December 31, 2018, we held the following investment, listed at fair market value as of that date:

Marketable equity securities	$	25,813

The marketable securities we held consisted of various publicly traded stocks and various real estate investment trusts. Investment income includes interest, dividends, changes in fair market value and realized gains and losses.

NOTE 5 – Investments (continued)

Unrestricted investment income consisted of the following for the year ended December 31, 2018:

Interest and dividend income	$	11,744
Unrealized/realized loss, including fees		(6,814)
Investment income, net	$	4,930

NOTE 6 - Property and Equipment

Property and equipment consisted of the following at December 31, 2018:

Computers	$	6,452
Land		137,400
Buildings and improvements		796,200
		940,052
Less: accumulated depreciation		(404,280)
		535,772
Construction in progress		2,535,196
	$	3,070,968

NOTE 7 - Accrued Expenses

Accrued expenses consisted of the following at December 31, 2018:

Accrued payroll	$	27,798
Accrued vacation		23,298
	$	51,096

NOTE 8 - Line of Credit

We have a line of credit payable to a bank that matures on December 17, 2022. At December 31, 2018, we have not drawn from the line of credit. Interest is due monthly at the market prime rate which was 5.50% at December 31, 2018.

NOTE 9 - Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2018:

Specific Purpose		
New Facility	$	2,432,528
Christmas fund		643
Permanent Endowment		
Community Foundation endowment (see Note 11)		17,012
	$	2,450,183

NOTE 10 - Leases

We lease apartments at the HHH apartments and various office equipment under lease arrangements classified as operating leases. We renewed our lease for the HHH apartments through July 2019. Our lease for the office equipment expires in February 2021.

Total rent expense under these leases was $100,620, during the year ended December 31, 2018, which is included in the apartment expenses and equipment contracts expense accounts on the statement of functional expenses.

A schedule of future minimum lease payments required under all noncancelable operating leases as of December 31, 2018, follows:

For the year ending December 31,

2019	$	72,180
2020		1,740
2021		290
Total	$	74,210

NOTE 11 - Endowment

At December 31, 2018, the Nashville Area Community Foundation, Inc., (the Foundation) a non-profit organization, is in control of an endowment fund for us. The endowment has been recorded as permanently restricted. The Foundation has ultimate authority and control over all property of the fund and the income derived there from. The endowment is considered a reciprocal transfer and is therefore recorded as an asset on our Statement of Financial Position.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Since the Foundation has control over the fund and the earnings, we have not established an investment policy for the fund nor have we established policies for expenditures from the fund. We are not aware of any deficiencies in the fair value of assets in the fund as compared to the required amounts by the donors. We recognize contribution income when the Foundation makes a distribution to us. We recognize investment earnings and fees in the Statement of Activities, as they are reported to us by the Foundation.

The following is the balance and activity reported in our financial statements for the year ended December 31, 2018:

Beginning balance			$	18,009
Interest income	$	291		
Realized gain		534		
Unrealized loss		(1,703)		
Administrative fees		(73)		
Investment fees		(46)		
				(997)
Ending Balance			$	17,012

NOTE 12 - Donated Services and Materials

We receive contributions of household items, which we consume in the course of fulfilling our mission. We record these contributions as in-kind revenue and expenses in accordance with the criteria of generally accepted accounting principles. During the year we recorded $48,057 of in-kind revenue as follows: $22,692 in donated food and household items, $3,608 in donated linen services, and $21,757 in donated repair and maintenance work.

NOTE 13 - Concentrations of Credit Risk

At December 31, 2018, we owed 99% of all outstanding accounts payable to two vendors and 3 donors pledged 88% of all outstanding contribution receivables.

We maintain our cash in bank accounts which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk in our cash.

As of December 31, 2018, one foundation has provided 85% of total restricted funds for the construction of the new facility. The foundation meets the definition of a related party. See Note 6.

NOTE 14 - Leased Employees

We lease all employees from Vanderbilt University, which provides all payroll related benefits and services. Total employee lease expense for the year ended December 31, 2018, was $353,868.

NOTE 15 - New Pronouncements

In May 2014, FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Update provides guidance about recording contract revenue on an organization's statement of activities. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact of adopting this statement.

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2019, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting this statement.

In November 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on the financial statements.

NOTE 16 - Prior Period Adjustment

A prior period adjustment at the beginning of the fiscal year was made to correct an error in the previously reported restricted pledges receivable balance. An adjustment of $100,000 was made to decrease the beginning restricted pledges receivable balance to the proper amount.

NOTE 17 - Subsequent Events

We have evaluated events subsequent to the year ending December 31, 2018. As of May 3, 2019, the date that the financial statements were available to be issued, other than the following matter, no events subsequent to the balance sheet date are considered necessary to be included in the financial statements for the period ended December 31, 2018.

HOSPITAL HOSPITALITY HOUSE CORPORATION
SUPPLEMENTAL SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Without donor restrictions		
Individuals	$ 41,508	
Congregations	2,994	
Clubs and organizations	1,455	
Foundations	110,055	
Total without donor restrictions		$ 156,012

HOSPITAL HOSPITALITY HOUSE CORPORATION
SUPPLEMENTAL SCHEDULE OF SPECIAL EVENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Revenue	Expenses	Net
Patrons' Luncheon	$ 247,903	$ 26,386	$ 221,517
Rock the House	100,827	29,722	71,105
Golf Tournament	40,630	10,592	30,038
Big Payback	2,289	-	2,289
Total	$ 391,649	$ 66,700	$ 324,949

NOTE: This schedule consists of four main special events. Miscellaneous fundraising and other general fundraising expenses are not included in this schedule. In-kind donations are not included.