

**2021**  
**Financial Statements**  
With Supplementary  
Information

HOSPITAL HOSPITALITY HOUSE CORPORATION  
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021

(With Independent Auditor's Report Thereon)

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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## PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hospital Hospitality House Corporation  
d.b.a. C. Wright Pinson Hospitality House of Nashville

#### **Opinion**

We have audited the accompanying financial statements of Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in NOTE 17 to the financial statements, restricted pledges receivable were understated and deferred revenue was overstated in previously issued financial statements. Our opinion is not modified with respect to that matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of contributions and special events on pages 15-16 is presented for purposes of additional analysis and is 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 Handley & Ballentine*

April 29, 2022

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

Current Assets:		
Cash	\$ 1,236,368	
Restricted cash	643	
Investments	40,753	
Accounts receivable	12,455	
Contributions receivable	1,399	
Prepaid expenses	41,816	
Total current assets		\$ 1,333,434
Property and Equipment, net		6,406,634
Assets Whose Use is Limited:		
Contributions receivable	34,929	
Endowment	24,908	
Total assets whose use is limited		59,837
Total Assets		<u>\$ 7,799,905</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accounts payable	\$ 14,077	
Accrued expenses	58,041	
Deferred revenue	50,000	
Line of credit	200,000	
Total current liabilities		\$ 322,118
Net Assets:		
Without donor restrictions	7,417,307	
With donor restrictions	60,480	
Total net assets		7,477,787
Total Liabilities and Net Assets		<u>\$ 7,799,905</u>

See accompanying notes to the financial statements.

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Public Support and Revenue:			
Gross special events revenue	\$ 258,108	\$ -	\$ 258,108
Less direct costs of special events	(18,209)	-	(18,209)
Net special events revenue	239,899	-	239,899
Contributions	508,447	46,542	554,989
In-kind revenue	44,584	-	44,584
Net assets released from restriction for specific purpose	190,501	(190,501)	-
Total public support	743,532	(143,959)	599,573
Guest Revenue:			
Guest services provided	333,428	-	333,428
Total guest services provided	333,428	-	333,428
Other Income:			
Miscellaneous	3,459	-	3,459
Investment income, net	4,570	2,341	6,911
Total other income	8,029	2,341	10,370
Total public support, guest revenue and other income	1,324,888	(141,618)	1,183,270
Operating Expenses:			
Program services	444,916	-	444,916
Management and general	418,438	-	418,438
Fundraising expenses	184,492	-	184,492
Total operating expenses	1,047,846	-	1,047,846
Change in net assets	277,042	(141,618)	135,424
Net assets - beginning of year, as previously reported	7,081,865	172,098	7,253,963
Prior period adjustment	58,400	30,000	88,400
Net assets - beginning of year, as restated	7,140,265	202,098	7,342,363
Net assets - end of year	<u>\$ 7,417,307</u>	<u>\$ 60,480</u>	<u>\$ 7,477,787</u>

See accompanying notes to the financial statements.

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Supporting Services		
	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>	<u>Expenses</u>	<u>Expenses</u>
<b>Operating Expenses:</b>				
Bad debt expense	\$ -	\$ -	\$ 17,457	\$ 17,457
Bank fees	9,211	-	3,071	12,282
Computer hardware and software	5,001	-	5,002	10,003
Cleaning services	38,440	-	-	38,440
Depreciation	-	244,378	-	244,378
Equipment contracts	2,176	272	272	2,720
Food	3,822	-	-	3,822
In-kind expenses	44,584	-	-	44,584
Insurance	17,990	5,996	-	23,986
Leased employees (See NOTE 14)	174,594	102,201	149,043	425,838
Licenses and permits	466	700	-	1,166
Interest Expenses	-	34,053	-	34,053
Office supplies	1,723	1,776	1,724	5,223
Outreach	39,415	-	6,956	46,371
Postage	135	135	-	270
Professional development	-	3,750	-	3,750
Professional fees	14,178	14,179	-	28,357
Repairs and maintenance	15,913	1,768	-	17,681
Special events	-	-	18,209	18,209
Telephone	7,252	1,450	967	9,669
Utilities	70,016	7,780	-	77,796
Total operating expenses	444,916	418,438	202,701	1,066,055
Less expenses included with revenues on the statement of activities:				
Direct costs of special events	-	-	(18,209)	(18,209)
Total operating expenses included in the operating expense section on the statement of activities	\$ 444,916	\$ 418,438	\$ 184,492	\$ 1,047,846

See accompanying notes to the financial statements.



**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash Flows From Operating Activities:		
Change in net assets		\$ 135,424
Adjustments to reconcile change in net assets		
to net cash used in operating activities:		
Depreciation	\$ 244,378	
Investment gain, net	(6,911)	
Changes in:		
Accounts receivable	33,202	
Contributions receivable, net	48,619	
Prepaid expenses	(5,426)	
Assets whose use is limited	113,627	
Accounts payable	6,174	
Accrued expenses	722	
Deferred revenue	50,000	
Total adjustments		<u>484,385</u>
Net cash provided by operating activities		619,809
Cash Flows From Investing Activities:		
Purchase of property and equipment	<u>(679)</u>	
Net cash used in investing activities		(679)
Cash Flows From Financing Activities:		
Payments on line of credit	<u>(500,000)</u>	
Net cash used in financing activities		<u>(500,000)</u>
Net change in cash		119,130
Cash and restricted cash - beginning of year		<u>1,117,881</u>
Cash and restricted cash - end of year		<u><u>\$ 1,237,011</u></u>

See accompanying notes to the financial statements.

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 1 - Nature of Activities

In these notes, the terms "Organization", "PHHH", "we", "us" or "our" mean the Hospital Hospitality Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville. Since opening in 1974, we have provided over 500,000 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 40 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

We currently serve 30 families each night. We provide approximately 10,950 room nights annually. Housing is offered to patients and families coming to Nashville in medical crisis. 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, and stem cell families). But unlike the criteria and stay limits imposed by some other medical lodging facilities, guests at PHHH 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.

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.

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

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

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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.

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, 2021, we had no cash equivalents.

Revenue

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. Contract revenue is recognized in accordance with generally accepted accounting principles in the United States of America, when performance obligations are satisfied, as described below.

Contributions are recognized when cash or an unconditional promise to give is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.



**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 2 - Summary of Significant Accounting Policies (continued)

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in the new revenue recognition standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Our contracts typically have one performance obligation, which is providing nature programs to customers. For these contracts, we will allocate transaction prices to the performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract.

The primary method used to estimate standalone selling price is the expected cost plus a margin approach, which forecasts the expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct service.

Performance Obligations Satisfied at a Point in Time

All of our performance obligations are satisfied at a point and time, at which revenue is recognized. Upon fulfillment of the performance obligation, the customer is provided an invoice demonstrating transfer of control to the customer. We believe that point in time recognition remains appropriate for this segment and will continue to recognize revenues upon completion of the performance obligation and issuance of an invoice.

Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Proceeds received are recorded as special events revenue as the events occur in the accompanying statement of activities and changes in net assets.

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, 2021.

Prepaid expenses

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

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 2 - Summary of Significant Accounting Policies (continued)

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, 2021, 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.

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.



**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
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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	\$ 1,236,368
Investments	40,753
Accounts receivable	12,455
Contributions receivable	<u>1,399</u>
	<u>\$ 1,290,975</u>

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. 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 reduce spending of program and management and general expenditures.

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

Contributions receivable consist of amounts pledged to the Organization by donors for general use. Contributions receivable whose use is limited consist of pledges to the Organization for the purpose of funding their main building. All amounts are expected to be received in the next fiscal year. Management assessed the need for an allowance at December 31, 2021, and determined that an allowance was not considered necessary. Contributions receivable are shown on the statement of financial position as follows:

Contributions receivable	\$ 1,399
Contributions receivable, whose use is limited	<u>34,929</u>
Total contributions receivable	<u>\$ 36,328</u>

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 - Investments**

At December 31, 2021, we held the following investment, listed at fair market value as of that date:

Marketable equity securities	\$ 40,753
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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.

Investment income for the year ended December 31, 2021 consisted of the following:

Interest and dividend income	\$ 2,085
Unrealized/realized gain, net of fees	<u>4,826</u>
Investment gain, net	<u>\$ 6,911</u>

**NOTE 6 - Property and Equipment**

Property and equipment consisted of the following at December 31, 2021:

Equipment	\$ 396,001
Land	137,400
Buildings and improvements	<u>6,957,830</u>
	7,491,231
Less: accumulated depreciation	<u>(1,084,597)</u>
	<u>\$ 6,406,634</u>

**NOTE 7 - Accrued Expenses**

Accrued expenses consisted of the following at December 31, 2021:

Accrued payroll	\$ 34,743
Accrued vacation	<u>23,298</u>
	<u>\$ 58,041</u>

**NOTE 8 - Line of Credit**

The Organization had a line of credit agreement with FirstBank to fund the construction of the new building, which was completed in 2020. The line of credit allows for borrowings up to \$1,700,000 with a maturity date of December 17, 2022. Interest accrues at the Wall Street Journal Prime Rate (3.25% at December 31, 2021). There was a balance of \$200,000 as of December 31, 2021. The line of credit is secured by the building.

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - Net Assets**

Net assets with donor restrictions were as follows for the year ended December 31, 2021:

Specific Purpose	
New Facility	\$ 34,929
Christmas fund	643
Permanent Endowment	
Community Foundation endowment (see NOTE 11)	24,908
	<u>\$ 60,480</u>

**NOTE 10 - Leases**

We lease a copier machine under a lease arrangement classified as operating leases. This lease expires in November 2025.

Total rent expense under this lease for the year ended December 31, 2021, was \$2,720, and is included in the equipment contracts expense account on the statement of functional expenses.

A schedule of future minimum lease payments required under all noncancelable operating leases as of December 31, 2021, follows:

For the year ending December 31,

2022	\$ 1,885
2023	1,885
2024	1,885
2025	1,663
2026	-
Total	<u>\$ 7,318</u>

**NOTE 11 - Endowment**

At December 31, 2021, 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.



**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 11 – Endowment (continued)

The following is the balance and activity reported in our financial statements for the year ended December 31, 2021:

Beginning balance		\$ 22,567
Interest income	\$ 530	
Realized gain	486	
Unrealized gain	1,441	
Administrative & investment fees	(116)	
		<u>2,341</u>
Ending Balance		<u>\$ 24,908</u>

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 \$44,584 of in-kind revenue as follows: \$24,625 in donated food and household items, \$5,903 in donated linen services, and \$14,056 in donated repair and maintenance work.

NOTE 13 - Concentrations of Credit Risk

At December 31, 2021, we owed 85% of all outstanding accounts payable to two vendors and two donors pledged 93% 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.

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, 2021, was \$425,838.

NOTE 15 - Related Party Transactions

We hold a Line of Credit with a bank that employs one of our Board members. See NOTE 8.

NOTE 16 - New Pronouncements

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, 2021, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 17 – Prior Period Adjustment

A prior period adjustment was made to correct errors in previously reported balances. Beginning restricted contributions receivable was increased by \$30,000 to account for a contribution pledged in fiscal 2020, and current year income was reduced by \$58,400 to account for the forgiveness of the Paycheck Protection Program (PPP) loan that took place in the prior year. Combined, beginning net assets increased by \$88,400.

NOTE 18 - Subsequent Events

We have evaluated events subsequent to the year ending December 31, 2021. As of April 29, 2022, the date the financial statements were available to be issued, no events subsequent to December 31, 2021, are considered necessary to be included in the accompanying financial statements.



**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**SUPPLEMENTAL SCHEDULE OF CONTRIBUTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Without donor restrictions			
Individuals	\$	236,942	
Foundations		271,505	
Total without donor restrictions			\$ 508,447
With donor restrictions			
Individuals		46,542	
Total with donor restrictions			46,542
Total contributions			\$ 554,989

See independent auditor's report for report on supplementary information

**HOSPITAL HOSPITALITY HOUSE CORPORATION**  
**d.b.a. C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE**  
**SUPPLEMENTAL SCHEDULE OF SPECIAL EVENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Patrons' Luncheon	\$ 149,677	\$ 8,726	\$ 140,951
Rock the House	51,481	219	51,262
Golf Tournament	<u>56,950</u>	<u>9,264</u>	<u>47,686</u>
 Total	 <u><u>\$ 258,108</u></u>	 <u><u>\$ 18,209</u></u>	 <u><u>\$ 239,899</u></u>

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