

# **Gilda's Club Middle Tennessee**

Financial Statements  
For the Years Ended June 30, 2022 and 2021

**Gilda's Club Middle Tennessee**  
Financial Statements  
For the Years Ended June 30, 2022 and 2021

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## Independent Auditor's Report

Board of Directors  
Gilda's Club Middle Tennessee

### Opinion

We have audited the financial statements of Gilda's Club Middle Tennessee (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 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 GAAS, 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 the Organization'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 the Organization'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.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
March 8, 2023

**Gilda's Club Middle Tennessee**  
**Statements of Financial Position**  
June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash	\$ 276,170	\$ 351,545
Receivables	8,500	-
Investments	1,327,320	1,483,184
Prepaid expenses	10,660	20,338
Purchased membership rights	140,000	28,000
Property and equipment, net	2,378,873	2,413,044
Beneficial interest in funds held by Community Foundation of Middle Tennessee	18,810	22,334
Total assets	<b>\$ 4,160,333</b>	<b>\$ 4,318,445</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 7,271	\$ 1,764
Accrued expenses	10,537	25,783
Deferred special event income	59,000	46,020
Accrued membership rights fees	-	10,000
PPP loan	-	149,764
Note payable	376,618	377,121
Total liabilities	453,426	610,452
Net assets		
Without donor restrictions	3,633,097	3,608,467
With donor restrictions	73,810	99,526
Total net assets	3,706,907	3,707,993
Total liabilities and net assets	<b>\$ 4,160,333</b>	<b>\$ 4,318,445</b>

**Gilda's Club Middle Tennessee**  
Statement of Activities  
For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Individual, corporate gifts and grants	\$ 838,952	\$ 55,000	\$ 893,952
Contributions of nonfinancial assets	61,103	-	61,103
Special events			
Contributions of cash	442,133	-	442,133
Contributions of nonfinancial assets	9,070	-	9,070
Less: direct benefit to donors	<u>(80,049)</u>	<u>-</u>	<u>(80,049)</u>
Total special events	371,154		371,154
Investment income (loss)	(155,864)	-	(155,864)
Other income	2,303	-	2,303
Change in value of beneficial interest in assets held by Community Foundation of Middle Tennessee	-	(3,524)	(3,524)
Net assets released from restrictions	<u>77,192</u>	<u>(77,192)</u>	<u>-</u>
Total support and revenues	1,194,840	(25,716)	1,169,124
<b>Expenses</b>			
Program services	876,950	-	876,950
Supporting services			
Management and general	116,331	-	116,331
Fundraising	<u>176,929</u>	<u>-</u>	<u>176,929</u>
Total expenses	1,170,210	-	1,170,210
Change in net assets	24,630	(25,716)	(1,086)
Net assets, beginning of year	<u>3,608,467</u>	<u>99,526</u>	<u>3,707,993</u>
Net assets, end of year	<b>\$ 3,633,097</b>	<b>\$ 73,810</b>	<b>\$ 3,706,907</b>

**Gilda's Club Middle Tennessee**  
Statement of Activities  
For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Individual, corporate gifts and grants	\$ 920,185	\$ -	\$ 920,185
Contributions of nonfinancial assets	48,121	-	48,121
Special events			
Contributions of cash	385,558	-	385,558
Contributions of nonfinancial assets	7,469	-	7,469
Less: direct benefit to donors	(44,281)	-	(44,281)
Total special events	348,746		348,746
Investment income	261,890	-	261,890
Other income	11	-	11
Grants	-	77,192	77,192
Change in value of beneficial interest in assets held by Community Foundation of Middle Tennessee	-	3,297	3,297
Net assets released from restrictions	47,813	(47,813)	-
Total support and revenues	1,626,766	32,676	1,659,442
<b>Expenses</b>			
Program services	820,894	-	820,894
Supporting services			
Management and general	110,537	-	110,537
Fundraising	132,065	-	132,065
Total expenses	1,063,496	-	1,063,496
Change in net assets	563,270	32,676	595,946
Net assets, beginning of year	3,045,197	66,850	3,112,047
Net assets, end of year	<b>\$ 3,608,467</b>	<b>\$ 99,526</b>	<b>\$ 3,707,993</b>

**Gilda's Club Middle Tennessee**  
Statement of Functional Expenses  
For the Year Ended June 30, 2022

		<b>Supporting services</b>		
	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
Compensation and related costs				
Compensation	\$ 477,908	\$ 81,676	\$ 116,944	\$ 676,528
Benefits	56,414	9,641	13,804	79,859
Contract labor	22,588	-	-	22,588
Total compensation and related costs	556,910	91,317	130,748	778,975
Amortization of golf club membership rights	7,000	-	21,000	28,000
Depreciation	58,396	1,844	1,229	61,469
Donated goods and services	61,103	-	-	61,103
Dues and memberships	16,927	535	356	17,818
Insurance	28,569	902	601	30,072
Interest	13,315	420	280	14,015
Meetings and workshops	4,735	-	-	4,735
Outreach and marketing	17,094	903	8,335	26,332
Printing	10,846	3,616	-	14,462
Professional development	5,588	176	118	5,882
Professional services	-	9,500	-	9,500
Repairs and maintenance	52,077	1,645	1,096	54,818
Special events expense	19,543	-	58,631	78,174
Supplies and materials	8,254	2,885	3,955	15,094
Telephone	14,063	444	296	14,803
Utilities	22,542	712	475	23,729
Banking and credit card fees	-	1,432	9,846	11,278
	896,962	116,331	236,966	1,250,259
Less: direct benefits to donors	(20,012)	-	(60,037)	(80,049)
Total expenses	<b>\$ 876,950</b>	<b>\$ 116,331</b>	<b>\$ 176,929</b>	<b>\$ 1,170,210</b>



**Gilda's Club Middle Tennessee**  
Statement of Functional Expenses  
For the Year Ended June 30, 2021

		<b>Supporting services</b>		
	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
Compensation and related costs				
Compensation	\$ 501,995	\$ 77,484	\$ 77,943	\$ 657,422
Benefits	68,622	10,592	10,655	89,869
Contract labor	18,868	-	-	18,868
Total compensation and related costs	589,485	88,076	88,598	766,159
Amortization of golf club membership rights	7,000	-	21,000	28,000
Depreciation	51,123	1,614	1,076	53,813
Donated goods and services	48,121	-	-	48,121
Dues and memberships	14,736	465	310	15,511
Insurance	21,189	669	446	22,304
Interest	4,248	134	89	4,471
Meetings and workshops	1,042	-	-	1,042
Outreach and marketing	12,463	2,410	5,296	20,169
Printing	6,206	2,069	-	8,275
Professional development	2,381	75	50	2,506
Professional services	-	7,500	-	7,500
Repairs and maintenance	23,066	728	486	24,280
Special events expense	12,934	-	38,801	51,735
Supplies and materials	6,556	3,161	3,158	12,875
Telephone	11,653	368	245	12,266
Utilities	19,761	624	416	20,801
Banking and credit card fees	-	2,644	5,305	7,949
	831,964	110,537	165,276	1,107,777
Less: direct benefits to donors	(11,070)	-	(33,211)	(44,281)
Total expenses	<b>\$ 820,894</b>	<b>\$ 110,537</b>	<b>\$ 132,065</b>	<b>\$ 1,063,496</b>

**Gilda's Club Middle Tennessee**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash, beginning of year	\$ 351,545	\$ 78,427
<b>Cash flows from operating activities</b>		
Change in net assets	(1,086)	595,946
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization of golf membership rights	28,000	28,000
Depreciation	61,469	53,813
Investment (income) loss	155,864	(261,890)
Change in value of beneficial interest in assets held by Community Foundation of Middle Tennessee	3,524	(3,297)
PPP loan forgiveness	(149,765)	(149,765)
Change in:		
Receivables	(8,500)	2,813
Prepaid expenses	9,678	(10,009)
Accounts payable	5,507	1,296
Accrued expenses	(15,246)	(29,599)
Deferred special event income	12,980	(464)
Accrued membership rights fees	(10,000)	(10,000)
Net cash provided (used) by operating activities	92,425	216,844
<b>Cash flows from investing activities</b>		
Purchase of golf rights	(140,000)	-
Purchases of property and equipment	(27,297)	(420,611)
Net cash provided (used) by investing activities	(167,297)	(420,611)
<b>Cash flows from financing activities</b>		
Change in line of credit	-	(50,000)
Proceeds from note payable	-	377,121
Payments on note payable	(503)	-
Proceeds from PPP loan	-	149,764
Net cash provided (used) by financing activities	(503)	476,885
Net change in cash	(75,375)	273,118
Cash, end of year	<b>\$ 276,170</b>	<b>\$ 351,545</b>
<b>Supplemental disclosures of cash flow information</b>		
Interest paid during the period	\$ 14,015	\$ 4,471

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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

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

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

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

**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 statement of activities for the period.

**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.

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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**Note 2. Summary of Significant Accounting Policies**

**Property and Equipment**

The Organization's policy is 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 statement of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful lives of the assets, ranging from 5 to 50 years, and computed on the straight-line method.

**Beneficial Interest in Funds Held by Others**

The Organization's beneficial interest in an agency endowment fund is recognized as an asset. Changes in the value of the fund are recognized in the statement of activities and distributions received from the fund are recorded as decreases in the beneficial interest and investment income.

**Deferred Special Event Income**

Amounts received in advance for the sponsorships of special fundraising events are recorded as deferred special event income until the year of the event.

**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.

**Contributions of Cash and Other Financial Assets**

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.

**Contributions of Nonfinancial Assets**

Donated goods are recorded at estimated fair value in the period the gift is received. Donated services are recognized if they create or enhance nonfinancial 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.

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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**Note 2. Summary of Significant Accounting Policies**

**PPP Loan**

The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as debt.

**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 non-residential, 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 supporting service based on objectively evaluated financial and nonfinancial data or subjective methods determined by management.

**Recently Issued Accounting Pronouncements**

In September 2020, the Financial Accounting Standards Board Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was retroactively adopted by the Organization on July 1, 2021.

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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**Note 2. Summary of Significant Accounting Policies**

**Functional Allocation of Expenses**

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

The expenses that are allocated include the following:

	<b>Method of allocation</b>
Compensation	Time and effort
Depreciation	Facility square footage
Repairs and maintenance	Facility square footage
Insurance	Facility square footage
Utilities	Facility square footage
Printing	Estimated usage
Dues and memberships	Estimated usage
Supplies and materials	Estimated usage
Telephone	Estimated usage
Banking and credit card fees	Estimated usage
Outreach and marketing	Estimated usage
Professional development	Estimated usage

**Note 3. Availability and Liquidity**

The following represents the Organization's financial assets:

	<b>2022</b>	<b>2021</b>
Financial assets		
Cash	\$ 276,170	\$ 351,545
Receivables	8,500	-
Investments	1,327,320	1,483,184
Beneficial interest in assets held by		
Community Foundation of Middle Tennessee	<u>18,810</u>	<u>22,334</u>
Total financial assets	1,628,300	1,857,063
Less amounts not available to be used within one year		
Investments designated for long-term stability	269,892	269,892
Investments designated for repairs and maintenance	127,700	127,700
Beneficial interest in funds	<u>18,810</u>	<u>22,334</u>
	416,402	419,926
Financial assets available to meet general expenditures over the next 12 months	<b>\$ 1,211,898</b>	<b>\$ 1,437,137</b>

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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**Note 3. Availability and Liquidity**

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives year-round donations from individuals and the Organization makes specific appeals at strategic times of the year for specific projects.

**Note 4. Joint Costs**

During the year ended June 30, 2022 the Organization incurred joint costs of \$106,174 for special events that included both program services and fundraising appeals. The Organization allocated \$26,543 and \$79,631 to program services and fundraising, respectively. After deducting the direct benefit to donors, these amounts netted to a total of \$26,125 with net allocations of \$6,531 and \$19,594, respectively.

During the year ended June 30, 2021, the Organization incurred joint costs of \$79,735 for special events that included both program services and fundraising appeals. The Organization allocated \$19,934 and \$59,801 to program services and fundraising, respectively. After deducting the direct benefit to donors, these amounts netted to a total of \$35,454 with net allocations of \$8,864 and \$26,590, respectively.

**Note 5. Pledges Receivable**

All of the pledges are classified as current since they are expected to be collected within the next year. Management has determined that no allowance for doubtful accounts is necessary for these assets.

**Note 6. Investments**

The Organization's investments consist of the following:

	<b>2022</b>	<b>2021</b>
Cash equivalents	\$ 113,570	\$ 33,886
Certificates of deposit	-	51,180
Corporate bonds	484,726	498,976
Equities and equity funds	<u>729,024</u>	<u>899,142</u>
Total investments	<b>\$ 1,327,320</b>	<b>\$ 1,483,184</b>

Investment income (loss) includes the following:

	<b>2022</b>	<b>2021</b>
Dividends and interest	\$ 35,351	\$ 32,112
Net gain (loss) on investments	(172,780)	247,033
Investment expenses	<u>(18,435)</u>	<u>(17,255)</u>
	<b>\$ (155,864)</b>	<b>\$ 261,890</b>

**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

**Note 6. Investments**

US GAAP requires 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 June 30, 2022.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Corporate bonds	\$ -	\$ 484,726	\$ -	\$ 484,726
Equities and equity funds	<u>729,024</u>	<u>-</u>	<u>-</u>	<u>729,024</u>
	<b>\$ 729,024</b>	<b>\$ 484,726</b>	<b>\$ -</b>	<b>\$ 1,213,750</b>

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 June 30, 2021.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Corporate bonds	\$ -	\$ 498,976	\$ -	\$ 498,976
Equities and equity funds	<u>899,142</u>	<u>-</u>	<u>-</u>	<u>899,142</u>
	<b>\$ 899,142</b>	<b>\$ 498,976</b>	<b>\$ -</b>	<b>\$ 1,398,118</b>

**Note 7. Membership Rights**

During 2022, the Organization entered into a new five-year agreement with the Golf Club of Tennessee (the Club) for \$140,000 for certain membership rights. 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. For the years ended June 30, 2022 and 2021, the Organization reported amortization expense of \$28,000.

**Note 8. Property and Equipment**

Property and equipment consist of the following:

	<b>2022</b>	<b>2021</b>
Land	\$ 732,161	\$ 732,161
Building and improvements	2,296,032	2,296,032
Furniture and equipment	<u>139,442</u>	<u>112,144</u>
	3,167,635	3,140,337
Less: accumulated depreciation	<u>(788,762)</u>	<u>(727,293)</u>
Property and equipment, net	<b>\$ 2,378,873</b>	<b>\$ 2,413,044</b>



**Gilda's Club Middle Tennessee**  
Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021

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**Note 9. Beneficial Interest in Funds Held by Others**

The Organization has a beneficial interest in an endowment fund (the Fund) held by Community Foundation of Middle Tennessee (CFMT) that resulted from contributions from various individuals. The Organization has granted variance power to CFMT, and CFMT has the ultimate authority and control over the Fund and the income derived there from. The fund is charged a 0.4% administrative fee annually. Upon request by the Organization, income from the fund representing a 5.0% 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 June 30:

	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ 22,334	\$ 19,037
Change in value of beneficial interest		
Investment earnings (loss)	(2,387)	4,425
Grants paid out to the Organization	(1,000)	(1,000)
Administrative expenses	(137)	(128)
Net change	(3,524)	3,297
Balance, end of period	<b>\$ 18,810</b>	<b>\$ 22,334</b>

**Note 10. Line of Credit**

The Organization has a \$300,000 line of credit with a local bank with no outstanding balance as of June 30, 2022 and 2021. The line calls for an interest rate at the Wall Street Journal prime rate with a floor of 4.00% (4.75% at June 30, 2022) and is collateralized by the Organization's investment securities. The line of credit expires September 9, 2023.

**Note 11. PPP Loan**

On April 17, 2020, the Organization received a loan in the amount of \$149,765 in accordance with the PPP section of the CARES Act. On August 18, 2021, the Organization was notified that the full amount of the loan had been forgiven. Accordingly, the Organization has recognized the forgiveness as a contribution on the date of forgiveness during the year ended June 30, 2021.

On March 3, 2021, the Organization received a second draw on the PPP loan for \$149,764. On October 5, 2021, the Organization was notified that the full amount of the loan had been forgiven. The Organization recognized this forgiveness as a contribution during the year ended June 30, 2022.

**Note 12. Note Payable**

On March 3, 2021, the Organization entered into a note payable with a local bank to finance the purchase of a parcel of land adjacent to its existing property. The note is interest only at the Wall Street Journal prime rate with a floor of 4.00% (4.75% on June 30, 2022) and a maturity date of September 9, 2023. The note is collateralized by the Organization's investment securities.

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**Note 13. Net Assets**

Net assets with donor restrictions consist of the following at June 30:

	<b>2022</b>	<b>2021</b>
Grants for subsequent year programs	\$ 55,000	\$ 77,192
Endowment fund	<u>18,810</u>	<u>22,334</u>
	<b>\$ 73,810</b>	<b>\$ 99,526</b>

**Note 14. Contributions of Nonfinancial Assets**

The following contributions of nonfinancial assets have been included in revenues and expenses without donor restrictions in the financial statements:

	<b>2022</b>	<b>2021</b>
Included in support/expenses		
Program services		
Group counseling	\$ 21,643	\$ 20,130
Healthcare providers	10,720	3,220
Movement and fitness instruction	8,085	9,100
Individual counseling	7,140	-
Art instruction	2,905	368
Computer technology support	1,800	-
Cooking and nutrition	<u>1,590</u>	<u>3,870</u>
	53,883	36,688
Program goods		
Food, supplies, tickets, and gifts	<u>7,220</u>	<u>11,433</u>
	61,103	48,121
Included in special events/expenses		
Food, prizes, fees, and materials	<u>9,070</u>	<u>7,469</u>
	<b>\$ 70,173</b>	<b>\$ 55,590</b>

Volunteers with specialized skills provide programming activities for the Organization. Amounts reports are calculated using estimated hourly rates multiplied by the number of hours the services were provided. Other supplies and materials used in programming and special event fundraising are valued at the estimated fair value at the time of contribution.

**Note 15. Subsequent Events**

Management has evaluated subsequent events through March 8, 2023, the date on which the financial statements were available for issuance.