

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
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 ("Hospital Hospitality House") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, 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 as of December 31, 2022, 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 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.

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'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 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'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'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 supplemental schedules of contributions and special events 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.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, followed by "LLP" in a smaller, sans-serif font.

Nashville, Tennessee
May 15, 2023

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,324,134
Restricted cash	9,321
Investments	35,972
Accounts receivable	42,395
Unconditional promises to give	18,500
Prepaid expenses	<u>50,303</u>
Total current assets	1,480,625

PROPERTY AND EQUIPMENT, NET	6,143,166
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RIGHT-OF-USE ASSET	5,498
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OTHER ASSETS

Endowment	21,453
	<u>\$ 7,650,742</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 54,625
Accrued expenses	10,430
Current portion of lease liabilities	1,887
Contract liabilities	<u>50,550</u>
Total current liabilities	117,492

LONG-TERM LIABILITIES

Lease liabilities	4,034
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NET ASSETS

Without donor restrictions	7,498,441
With donor restrictions	<u>30,775</u>
Total net assets	<u>7,529,216</u>
	<u>\$ 7,650,742</u>

See accompanying notes to financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Special events	\$ 434,510	-	\$ 434,510
Less direct cost of special events	<u>(92,310)</u>	<u>-</u>	<u>(92,310)</u>
Net special events revenue	342,200	-	342,200
Contributions	382,411	11,000	393,411
Contributed nonfinancial assets	51,521	-	51,521
Programs and services	338,950	-	338,950
Investment return	(601)	(3,454)	(4,055)
Net assets released from restrictions	<u>37,251</u>	<u>(37,251)</u>	<u>-</u>
Total public support and revenue	<u>1,151,732</u>	<u>(29,705)</u>	<u>1,122,027</u>
Expenses:			
Program services	463,763	-	463,763
Supporting Services:			
General and administrative	377,863	-	377,863
Fundraising	<u>228,972</u>	<u>-</u>	<u>228,972</u>
Total expenses	<u>1,070,598</u>	<u>-</u>	<u>1,070,598</u>
Change in net assets	81,134	(29,705)	51,429
Net assets - beginning of year	<u>7,417,307</u>	<u>60,480</u>	<u>7,477,787</u>
Net assets - end of year	<u>\$7,498,441</u>	<u>\$ 30,775</u>	<u>\$ 7,529,216</u>

See accompanying notes to financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

		<u>Supporting Services</u>		
	<u>Program</u>	<u>General and</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Services</u>	<u>Administrative</u>		<u>Expenses</u>
Bad debt expense	\$ -	\$ -	\$ 3,899	\$ 3,899
Bank fees	10,459	-	3,487	13,946
Capital campaign - marketing	-	-	-	-
Computer hardware and software	3,124	-	3,124	6,248
Cleaning Services	23,409	-	-	23,409
Depreciation and amortization	-	233,017	46,233	279,250
Food	4,609	-	-	4,609
In-kind expenses	51,521	-	-	51,521
Insurance	19,054	6,351	-	25,405
Leased employees	189,334	110,830	161,627	461,791
Licenses and permits	366	549	-	915
Interest expense	-	1,559	-	1,559
Office supplies	1,604	1,652	1,604	4,860
Outreach	46,088	-	8,133	54,221
Postage	480	481	-	961
Professional development	-	298	-	298
Professional fees	11,153	11,154	-	22,307
Repairs and maintenance	31,591	3,510	-	35,101
Special events	-	-	92,310	92,310
Telephone	6,486	1,297	865	8,648
Utilities and occupancy	<u>64,485</u>	<u>7,165</u>	<u>-</u>	<u>71,650</u>
Total expenses by function	463,763	377,863	321,282	1,162,908
Less expenses included with revenues on the statement of activities:				
Direct cost of special events	<u>-</u>	<u>-</u>	<u>(92,310)</u>	<u>(92,310)</u>
Total Expenses	<u>\$ 463,763</u>	<u>\$ 377,863</u>	<u>\$ 228,972</u>	<u>\$ 1,070,598</u>

See accompanying notes to financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 51,429
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	279,250
Realized and Unrealized (gains) losses on investments, net	9,337
Changes in:	
Accounts receivable	(29,940)
Unconditional promises to give	17,828
Prepaid expenses	(8,487)
Accounts payable	40,548
Accrued expenses	(47,611)
Contract liabilities	550
Net cash provided by operating activities	<u>312,904</u>
INVESTING ACTIVITIES	
Purchase of investments	(1,101)
Purchase of furniture and equipment	<u>(15,359)</u>
Net cash used in investing activities	<u>(16,460)</u>
FINANCING ACTIVITIES	
Repayments on line of credit	<u>(200,000)</u>
Net cash used in investing activities	<u>(200,000)</u>
NET CHANGE IN CASH AND RESTRICTED CASH	96,444
CASH, CASH EQUIVALENT AND RESTRICTED CASH, Beginning	<u>1,237,011</u>
CASH, CASH EQUIVALENT AND RESTRICTED CASH, Ending	<u><u>\$ 1,333,455</u></u>

The Organization had noncash financing transactions related to financing leases on equipment of \$9,425.
Interest paid in 2022 was \$1,217.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Program Description

Hospital Hospitality House Corporation, d.b.a. C. Wright Pinson Hospitality House of Nashville (the "Organization" or "HHH") is a not-for-profit organization established to provide a home away from home for patients and caregivers seeking medical treatment in Nashville hospitals by providing lodging, meals, and other supportive services. Since opening in 1974, HHH has 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. HHH serves 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. The Organization was the first of its kind in the United States and continues to be a model for hospitality houses opening around the country.

Overview of Program Services

The Residence

HHH currently serves 30 families each night and provides 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 patients facing compromised immune systems. The Organization provides meals and snacks, free laundry facilities, internet access, private rooms and baths. HHH also offers evening activities including 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 all live at least 50 miles outside Nashville (with the exception of some of the families of NICU patients, and stem cell families). 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.

Day Services

For those caregivers who prefer to remain at the hospital or for the caregivers unfortunately turned away each day due to lack of space, HHH offers day services programs. Guests come to shower, do laundry, rest in the lounge, and have a bite to eat. This brief respite from the hospital rejuvenates caregivers while meeting their most basic needs.

HOSPITAL HOSPITALITY HOUSE CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 that waiting friends and families-adults and children-may need.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applied consistently, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. Restrictions fulfilled in the same accounting period in which are received are reported in the statement of activities as without donor restrictions.

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.

Fair Value Measurement

The Organization uses a framework for measuring and disclosing fair values. Fair value is defined as the price an asset would be received to sell in an orderly transaction between market participants at the measurement date. This framework is used for all assets and liabilities measured and reported on a fair value basis. The framework enables 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 to 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

HOSPITAL HOSPITALITY HOUSE CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of December 31, 2022, all investments are based on level 1 inputs at the active market price.

Cash and Cash Equivalents

All unrestricted cash and investment instruments with original maturities of three months or less are considered cash and cash equivalents. The Organization maintains cash and cash equivalents accounts at financial institutions with strong credit ratings. Cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management has deemed this a normal business risk.

Restricted Cash

Restricted cash includes cash held by the Organization primarily for a Christmas fund for guests and to purchase new appliances.

Accounts Receivable

Accounts receivable consist of amounts due on current projects of the Organization. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

Unconditional Promises to Give

Contributions receivable consists of amounts pledged to the Organization by donors for the funding of the main building and for general use. All amounts are expected to be received in the next fiscal year. Management assessed the need for an allowance at December 31, 2022, and determined that an allowance was not necessary.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets (ranging from three to seven years). The Organization's policy is to capitalize any expenditures over \$1,000 that are capital in nature. Expenditures for repairs and maintenance are charged to expense as incurred.

Leases

The Organization determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified use of an asset for a period of time, whether the Organization has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease of the Organization's incremental borrowing rate.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The incremental borrowing rate is defined as the rate of interest the Organization would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment or the risk free rate. The risk free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term. The Organization's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use asset. Lease expense for minimum lease payments are recognized on straight-line basis over the lease term.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is classified as an organization that is not a private foundation as defined in Section 509(a) of the IRC. Therefore, no provision for federal income taxes is included in the accompanying financial statements. Management believes there are no uncertain tax positions for the year ended December 31, 2022. The Organization files tax returns in the U.S. federal jurisdiction. Returns prior to 2019 are closed.

Contributions

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

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers consist of program and service revenue from guest services provided.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition for Contracts with Customers (continued)

Revenue recognition is subject to the completion of performance obligations. A performance obligation is a promise to transfer a distinct good or service to the customer. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's contracts typically have one performance obligation that is based on the good or service specifically described in the contracts (lodging).

The majority of the Organization's performance obligations are satisfied at a point and time, and it is then that revenue is recognized. Contract assets were \$1,575 and \$455 at December 31, 2022 and 2021, (respectively). These amounts are included in accounts receivable on the statement of financial position.

Special Events

Revenue from special events is in the form of both contributions and sponsorships. Sponsorships received prior to the event date are recorded as contract liabilities and recognized once the event has been held. Contract liabilities were \$50,550 and \$50,000 at December 31, 2022 and 2021, respectively.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recorded at the fair value of the donated goods received. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Advertising

Advertising costs are charged to expense as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses for the year ended December 31, 2022 presents the natural classification detail of expenses by function. Expenses that can be directly attributed to one function are charged to that function. Certain costs have been allocated among functions based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopting Accounting Standards (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure. Actual results could differ from those estimates.

Recently Adopting Accounting Standards

In February 2016, the Financial Accounting Standards Board issued accounting standards update (“ASU”) 2016-02 “*Leases (Topic 842)*”. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities with lease terms greater than 12 months on its statement of financial position and disclose key information about leasing arrangements.

The new standard was adopted as of January 1, 2022, using the modified retrospective approach. This approach allows the entity to initially apply the ASU at the adoption date and recognize a cumulative adjustment to the opening balance of net assets in the period of adoption. The adoption of the new standard had no impact on net assets. The Organization recorded finance lease right-of-use assets totaling \$9,425 and finance lease liabilities totaling \$9,425.

The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward historical lease classification.

In fiscal year 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities and increases the disclosure requirements. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through May 15, 2023, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing programs and services, as well as conduct of services undertaken to support those activities to be general expenditures.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 – LIQUIDITY AND AVAILABILITY (continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following at December 31, 2022:

Cash and cash equivalents	\$ 1,324,134
Investments	35,972
Accounts receivable	42,395
Unconditional promises to give	18,500
	<u>\$ 1,421,001</u>

NOTE 3 – INVESTMENTS

Investments, listed at fair market value at December 31, 2022:

Marketable equity securities	<u>\$ 35,972</u>
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The marketable securities 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 return for the year ended December 31, 2022 consisted of the following:

Interest and dividend in investments	\$ 292
Unrealized loss	(9,745)
Realized gain	257
Less fees	(141)
Subtotal of investment earnings	(9,337)
Interest and dividends in cash	5,357
Less fees	(75)
	<u>(4,055)</u>
Investment return, net	<u>\$ (4,055)</u>

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Computers and equipment	\$ 178,403
Furniture and fixtures	212,326
Building	6,957,830
Land	137,400
Less accumulated depreciation	(1,342,793)
Total property and equipment	<u>\$ 6,143,166</u>

Depreciation expense was \$275,323 for the year ended December 31, 2022

NOTE 5 – FINANCE LEASE COMMITMENTS

The Organization has a finance lease for a copier, which encompass a third-party lease, with a remaining lease term of 3 years.

The components of lease cost for the year ended December 31, 2022 are as follows:

Amortization of right-of-use assets	\$ 3,927
Interest on lease liabilities	1,217
	<u>\$ 5,144</u>

Minimum future lease payments under non-cancellable finance lease described above as of December 31, 2022 are as follows:

2023	\$ 2,266
2024	2,266
2025	<u>2,077</u>
Total undiscounted cash flows	6,609
Less: amount representing interest	(688)
Total lease liabilities	<u>\$ 5,921</u>

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consists of the following at December 31, 2022:

Specific purpose	
Christmas fund	\$ 643
Restricted contribution for purchase of appliances	8,678
Permanent endowment	
Community Foundation endowment	21,454
Total net assets with donor restrictions	<u>\$ 30,775</u>

Net assets with donor restrictions are released as expenses satisfying restrictions imposed are incurred.

Net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by occurrence of other events specified by donors. Net assets were released for the following purposes during the year ended December 31, 2022:

Purchase of appliances	\$ 2,322
Capital campaign	<u>34,929</u>
Total assets released from restriction	<u>\$ 37,251</u>

NOTE 7 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization periodically receives donations of household items, which are consumed in the course of fulfilling their mission. The value of the donation is recorded as in-kind revenue and expenses in the period received.

The following donations are reflected as contributions of nonfinancial assets with no associated donor restriction in the accompanying statement of activities for the year ended December 31, 2022:

	<u>Valuation Techniques and Inputs</u>	
Maintenance services	Fair value estimated on the basis of current rates for maintenance services	\$ 19,104
Shared linens	Contributed goods at estimated fair value based on current rates for shared linens	8,591
Donated supplies	Fair value is based on current rates for donated supplies	23,826
		<u>\$ 51,521</u>

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 – CONTRIBUTED NONFINANCIAL ASSETS (continued)

Contributions of nonfinancial assets and their use in programs and other activities are as follows:

	Year Ended December 31, 2022			
	Program Services	General & Administrative	Fundraising	Total
Maintenance services	\$ 17,194	\$ 1,910	\$ -	\$ 19,104
Shared linens	7,732	859	-	8,591
Donated supplies	21,443	2,383	-	23,826
	<u>\$ 46,369</u>	<u>\$ 5,152</u>	<u>\$ -</u>	<u>\$ 51,521</u>

NOTE 8 – CONCENTRATIONS

The Organization receives a significant amount of its public support and revenue from contributions. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization's programs and services.

At December 31, 2022, 91% of accounts payable were owed to two vendors.

At December 31, 2022, 86% of accounts receivable were from three grantors.

NOTE 9 – ENDOWMENT

The Organization has an endowment fund. The fund was established by the board in 1995. As of December 31, 2022, the Nashville Area Community Foundation, Inc. (the Foundation), a non-profit organization, is in control of the endowment fund. The endowment has been recorded as net assets with donor restrictions. 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.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a. C. WRIGHT PINSON HOSPITALITY HOUSE OF NASHVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 9 – ENDOWMENT (continued)

Since the Foundation has control over the fund and the earnings, Hospital Hospitality House Corporation has not established policies for any investment or expenditures from the fund. There were no noted deficiencies in the fair value of assets in the fund. Contribution income is recognized when the Foundation makes a distribution to Hospital Hospitality House Corporation. Investment earnings and fees are recognized in the statement of activities, as they are reported by the Foundation.

The following is the balance and activity reported in our financial statements for the year ended December 31, 2022:

Beginning balance		\$ 24,908
Interest income	\$ 293	
Realized gain	257	
Unrealized loss	(3,863)	
Administrative & investment fees	<u>(142)</u>	<u>(3,455)</u>
Ending balance		<u><u>\$ 21,453</u></u>

NOTE 10 – LEASED EMPLOYEES

Hospital Hospitality House Corporation leases all employees from Vanderbilt University, which provides all payroll related benefits and services. Total employee lease expense for the year ended December 31, 2022, was \$461,791.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
SUPPLEMENTAL SCHEDULE OF CONTRIBUTIONS
Year Ended December 31, 2022

Without donor restrictions		
Individuals	\$ 109,681	
Foundations	<u>272,730</u>	
Total without donor restrictions		\$ 382,411
With donor restrictions		
Individuals	<u>\$ 11,000</u>	
Total with donor restrictions		<u>11,000</u>
Total contributions		<u>\$ 393,411</u>

See accompanying notes to financial statements.

HOSPITAL HOSPITALITY HOUSE CORPORATION
d.b.a C. WRIGHT PINSON HOSPITAL HOSPITALITY HOUSE OF NASHVILLE
SUPPLEMENTAL SCHEDULE OF SPECIAL EVENTS
Year Ended December 31, 2022

	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Patrons' Luncheon	253,126	\$ 15,536	\$ 237,590
Rock the House	118,421	59,411	59,010
Golf Tournament	<u>62,963</u>	<u>17,363</u>	<u>45,600</u>
Total	<u>\$ 434,510</u>	<u>\$ 92,310</u>	<u>\$ 342,200</u>

NOTE: This schedule consists of three main special events. Miscellaneous fundraising and other general fundraising expenses are not included in this schedule. Contributed nonfinancial assets are not included.