

GILDA'S CLUB NASHVILLE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2008 AND 2007

GILDA'S CLUB NASHVILLE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2008 AND 2007

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1
 <u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Cash Flows.....	4
Statements of Functional Expenses	5
Notes to Financial Statements.....	6 - 12



INDEPENDENT AUDITORS' REPORT

Board of Directors
Gilda's Club Nashville
Nashville, Tennessee

We have audited the accompanying statements of financial position of Gilda's Club Nashville (the "Agency") as of December 31, 2008 and 2007, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gilda's Club Nashville as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

KraftCPAs PLLC

Nashville, Tennessee
August 21, 2009

GILDA'S CLUB NASHVILLE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 677,122	\$ 593,765
Account receivable - grants	12,110	-
Prepaid expenses	9,591	8,130
Property and equipment, net - Note 3	2,613,020	2,684,965
Assets restricted for capital campaign:		
Cash and cash equivalents	473,136	250,831
Contributions receivable, net - Note 2	329,826	571,878
Purchased membership rights, net - Note 9	<u>173,250</u>	<u>194,250</u>
TOTAL ASSETS	<u>\$ 4,288,055</u>	<u>\$ 4,303,819</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 18,243</u>	<u>\$ 35,492</u>
NET ASSETS		
Unrestricted:		
Board designated - long-term stability fund	222,927	219,926
Board designated - property and equipment	2,613,020	2,684,965
Undesignated	<u>597,523</u>	<u>526,425</u>
Total unrestricted	3,433,470	3,431,316
Temporarily restricted - Note 6	<u>836,342</u>	<u>837,011</u>
TOTAL NET ASSETS	<u>4,269,812</u>	<u>4,268,327</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,288,055</u>	<u>\$ 4,303,819</u>

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

GILDA'S CLUB NASHVILLE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
SUPPORT AND REVENUE			
Public support:			
Individuals and corporate gifts and grants	\$ 226,762	\$ 94,824	\$ 321,586
Special events	410,799	-	410,799
Less: direct benefits to donors	(86,107)	-	(86,107)
Annual campaign	80,484	-	80,484
Capital campaign	-	8,610	8,610
Interest income	19,197	-	19,197
Net assets released in satisfaction of purpose restrictions	<u>104,103</u>	<u>(104,103)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>755,238</u>	<u>(669)</u>	<u>754,569</u>
EXPENSES			
Program services	572,363	-	572,363
Supporting services:			
Management and general	80,361	-	80,361
Fundraising:			
Operations	83,217	-	83,217
Capital campaign	<u>17,143</u>	<u>-</u>	<u>17,143</u>
TOTAL EXPENSES	<u>753,084</u>	<u>-</u>	<u>753,084</u>
CHANGE IN NET ASSETS	2,154	(669)	1,485
NET ASSETS - BEGINNING OF YEAR	<u>3,431,316</u>	<u>837,011</u>	<u>4,268,327</u>
NET ASSETS - END OF YEAR	<u>\$ 3,433,470</u>	<u>\$ 836,342</u>	<u>\$ 4,269,812</u>

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

2007

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
\$ 328,922	\$ 255,232	\$ 584,154
418,970	-	418,970
(24,840)	-	(24,840)
23,008	-	23,008
-	61,246	61,246
22,970	-	22,970
<u>371,958</u>	<u>(371,958)</u>	<u>-</u>
<u>1,140,988</u>	<u>(55,480)</u>	<u>1,085,508</u>
530,021	-	530,021
60,946	-	60,946
112,455	-	112,455
<u>70,838</u>	<u>-</u>	<u>70,838</u>
<u>774,260</u>	<u>-</u>	<u>774,260</u>
366,728	(55,480)	311,248
<u>3,064,588</u>	<u>892,491</u>	<u>3,957,079</u>
<u>\$ 3,431,316</u>	<u>\$ 837,011</u>	<u>\$ 4,268,327</u>

GILDA'S CLUB NASHVILLE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,485	\$ 311,248
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	96,921	87,106
Non-cash contribution of building renovation costs and equipment	-	(8,259)
Restricted contributions for capital campaign	(8,610)	(61,246)
(Increase) decrease in:		
Accounts receivable - grants	(12,110)	-
Prepaid expenses	(1,461)	(3,390)
Increase (decrease) in:		
Accounts payable and accrued expenses	(17,249)	10,140
TOTAL ADJUSTMENTS	<u>57,491</u>	<u>24,351</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>58,976</u>	<u>335,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,976)	(90,433)
Purchase of membership rights - Note 9	-	(210,000)
Increase (decrease) in cash restricted for capital campaign	(222,305)	(250,831)
NET CASH USED IN INVESTING ACTIVITIES	<u>(226,281)</u>	<u>(551,264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital campaign contributions collected	250,662	910,148
Payment of prior year accounts payable for construction in progress	-	(95,422)
Net payments on line of credit	-	(800,000)
Principal payments on long-term borrowings	-	(389,900)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>250,662</u>	<u>(375,174)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,357	(590,839)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>593,765</u>	<u>1,184,604</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 677,122</u>	<u>\$ 593,765</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Additional Cash Flow Information:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 30,168</u>

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

GILDA'S CLUB NASHVILLE

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008				
	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>			<u>TOTALS</u>
		<u>MANAGEMENT AND GENERAL</u>	<u>OPERATIONS</u>	<u>FUNDRAISING CAPITAL CAMPAIGN</u>	
Salaries	\$ 264,088	\$ 52,349	\$ 48,088	\$ -	\$ 364,525
Payroll taxes and benefits	57,623	6,166	5,912	-	69,701
Contract labor	<u>25,960</u>	<u>148</u>	<u>168</u>	-	<u>26,276</u>
TOTAL SALARIES AND RELATED EXPENSES	347,671	58,663	54,168	-	460,502
Annual campaign expense	-	-	2,944	-	2,944
Bank charges	-	38	-	-	38
Business taxes and licenses	5,485	29	6	-	5,520
Credit card fees	-	6,568	-	-	6,568
Dues and memberships	613	24	24	-	661
Equipment lease	537	30	30	-	597
Food and beverage	517	589	42	-	1,148
Gifts and promotions	2,183	618	32	-	2,833
Gildagram newsletter expenses	10,095	-	1,769	-	11,864
Insurance	15,835	731	725	-	17,291
Interest	-	-	-	-	-
Management information assistance	4,461	240	197	-	4,898
Meetings and workshops	13,418	-	-	-	13,418
Moving, storage and miscellaneous	-	-	-	915	915
Outreach	11,650	113	-	-	11,763
Postage	8,376	91	92	-	8,559
Printing	9,527	100	89	-	9,716
Professional fees and services	12,414	2,975	2,871	-	18,260
Repairs and maintenance	7,189	165	116	-	7,470
Seminars and conferences	6,562	276	249	-	7,087
Supplies	3,828	298	30	4,854	9,010
Property taxes	-	-	-	-	-
Telephone	4,253	124	66	-	4,443
Travel	145	-	-	-	145
Utilities	21,487	679	452	-	22,618
Special events expense	<u>8,580</u>	<u>3,164</u>	<u>90,884</u>	<u>11,374</u>	<u>114,002</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	494,826	75,515	154,786	17,143	742,270
Depreciation and amortization	<u>77,537</u>	<u>4,846</u>	<u>14,538</u>	<u>-</u>	<u>96,921</u>
TOTAL EXPENSES	572,363	80,361	169,324	17,143	839,191
Less expenses netted against revenues on the statement of activities - direct benefits to donors	<u>-</u>	<u>-</u>	<u>(86,107)</u>	<u>-</u>	<u>(86,107)</u>
TOTAL EXPENSES REPORTED UNDER PROGRAM AND SUPPORTING SERVICES	<u>\$ 572,363</u>	<u>\$ 80,361</u>	<u>\$ 83,217</u>	<u>\$ 17,143</u>	<u>\$ 753,084</u>

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

2007

PROGRAM SERVICES	SUPPORTING SERVICES				TOTALS
	MANAGEMENT AND GENERAL	FUNDRAISING			
		OPERATIONS	CAPITAL CAMPAIGN		
\$ 198,421	\$ 35,975	\$ 34,337	\$ 34,386	\$ 303,119	
38,356	3,828	3,880	5,894	51,958	
<u>15,583</u>	<u>328</u>	<u>328</u>	<u>-</u>	<u>16,239</u>	
252,360	40,131	38,545	40,280	371,316	
-	-	2,932	-	2,932	
-	335	-	-	335	
2,067	1,702	1,681	-	5,450	
-	5,228	-	-	5,228	
1,811	64	235	-	2,110	
645	36	36	-	717	
585	206	11	-	802	
631	-	-	-	631	
10,254	-	2,004	-	12,258	
12,534	575	575	-	13,684	
30,168	-	-	-	30,168	
109	-	-	-	109	
12,325	109	-	-	12,434	
7,310	-	-	5,675	12,985	
7,414	254	-	-	7,668	
6,676	683	262	-	7,621	
9,053	104	104	-	9,261	
8,131	4,765	198	4,566	17,660	
2,687	119	119	-	2,925	
4,749	251	251	-	5,251	
43,247	302	211	4,228	47,988	
18,612	-	-	-	18,612	
4,298	239	239	-	4,776	
95	18	5	-	118	
16,341	908	908	-	18,157	
<u>8,234</u>	<u>562</u>	<u>75,913</u>	<u>16,089</u>	<u>100,798</u>	
460,336	56,591	124,229	70,838	711,994	
<u>69,685</u>	<u>4,355</u>	<u>13,066</u>	<u>-</u>	<u>87,106</u>	
530,021	60,946	137,295	70,838	799,100	
-	-	(24,840)	-	(24,840)	
<u>\$ 530,021</u>	<u>\$ 60,946</u>	<u>\$ 112,455</u>	<u>\$ 70,838</u>	<u>\$ 774,260</u>	

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Gilda's Club Nashville (the "Agency") was organized in 1995 as a Tennessee not-for-profit corporation. The Agency provides a unique environment, free of charge, where people living with cancer, their families and friends, can join together with others in building social and emotional support as a supplement to regular medical care.

Basis of presentation

The accompanying financial statements present the financial position and results of operations of the Agency on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. The Agency had no permanently restricted net assets as of December 31, 2008 or 2007.

Contributions and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and support (continued)

Non-cash gifts of equipment or materials are reported at fair value as unrestricted support, unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Cash and cash equivalents

Cash and cash equivalents consist principally of checking account balances and money market funds. Cash equivalents also include bank certificates of deposit held in an investment brokerage account that can be liquidated without significant penalty or restriction (including accrued interest). Such certificates of deposit amounted to approximately \$296,000 as of December 31, 2008.

Contributions receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on these amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (4.45% in 2008 and 2007). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions receivable has not been provided since, in management's opinion, the receivables are fully collectible.

Property and equipment and depreciation

Property and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to the Agency. The Agency's policy is to capitalize purchases with a cost of \$1,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives ranging from 5 to 7 years for furniture and equipment, and 50 years for building and improvements.

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 ten years. Amortization expense is included in depreciation and amortization in the Statement of Functional Expenses.

Income taxes

The Agency qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

Accrued employee leave

Compensated absences expense is accrued for vacation days earned by employees that will be paid in the future. Eligible employees earn vacation days based on length of service and anniversary date. Unused vacation days cannot be carried over.

Donated goods and services

Donated goods are recorded as gifts in the period received at fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, was performed by the donor who possesses such skills, and would have been purchased by the Agency if not provided by the donor. Such services are recognized at fair value as support and expense in the period the services are performed. Donated goods and services recognized amounted to approximately \$57,700 in 2008 (\$79,000 in 2007).

In addition, during 2008 and 2007, a substantial number of unpaid volunteers contributed approximately 2,500 and 3,000 hours, respectively, of their time to the Agency's program and supporting services. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and supporting services

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

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

Management and general - relates to the overall direction of the agency. 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 agency. Specific activities include agency oversight, business management, recordkeeping, budgeting, 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 solicitations and creation and distribution of fundraising materials. Fundraising expenses related to the capital campaign are reported separately.

Capital campaign - includes costs of solicitations for the capital campaign specifically related to the acquisition and renovation of the clubhouse, funding the first year's operating expenses and certain other costs related to the new facility, and establishment of an endowment fund.

Allocation of functional expenses

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

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*. FIN 48 provides guidance regarding the recognition, measurement, presentation and disclosure in the financial statements of tax positions taken or expected to be taken on a tax return, including positions that the organization is exempt from income taxes or not subject to income taxes on unrelated business income. The cumulative effect of changes arising from the initial application of FIN 48 is required to be reported as an adjustment to the opening balance of net assets in the period of adoption. In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Agency has elected this deferral and, accordingly, will be required to adopt FIN 48 in its December 31, 2009 annual financial statements. Prior to adopting FIN 48, the Agency will continue to evaluate uncertain tax positions and related income tax contingencies under Statement of Financial Accounting Standards ("SFAS") No. 5, *Accounting for Contingencies*. SFAS No. 5 requires annual accrual for losses that are considered probable and can be reasonably estimated, or disclosure for losses that are considered reasonably possible and/or cannot be reasonably estimated.

The Agency is currently evaluating the impact, if any, of the adoption of this standard on the financial statements.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at December 31:

	<u>2008</u>	<u>2007</u>
Temporarily restricted:		
Less than one year	\$ 235,958	\$ 301,700
One to five years	<u>130,000</u>	<u>314,200</u>
	365,958	615,900
Less discount to net present value	<u>(36,132)</u>	<u>(44,022)</u>
Total	<u>\$ 329,826</u>	<u>\$ 571,878</u>

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2008</u>	<u>2007</u>
Land	\$ 350,000	\$ 350,000
Building and improvements	2,296,032	2,296,032
Furniture and equipment	<u>136,946</u>	<u>132,970</u>
	2,782,978	2,779,002
Less accumulated depreciation	<u>169,958</u>	<u>94,037</u>
	<u>\$ 2,613,020</u>	<u>\$ 2,684,965</u>

NOTE 4 - LINE OF CREDIT

The Agency had a \$650,000 revolving credit loan facility with Nashville Bank & Trust Company that matured on April 18, 2008 and was not renewed. The line bore interest at the published 30-day LIBOR rate, plus 2.5%. There were no amounts outstanding on the line at December 31, 2008 or 2007.

NOTE 5 - NOTE PAYABLE

During 2007, the Agency repaid a mortgage note payable with a balance of \$389,900.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2008</u>	<u>2007</u>
Next year's operations	\$ 7,998	\$ 14,302
Contributions for children's programs	25,382	-
Contributions restricted for capital campaign	<u>802,962</u>	<u>822,709</u>
	<u>\$ 836,342</u>	<u>\$ 837,011</u>

GILDA'S CLUB NASHVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

NOTE 7 - CONCENTRATIONS OF CREDIT RISK AND RELATED PARTY TRANSACTIONS

The Agency maintains cash balances in bank deposit accounts at various financial institutions which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The Emergency Economic Stabilization Act of 2008 temporarily increased FDIC coverage from \$100,000 to \$250,000 per depositor, effective October 3, 2008 through December 31, 2009. On May 20, 2009, the Helping Families Save Their Homes Act extended the temporary increase in FDIC coverage through December 31, 2013. On October 14, 2008, the FDIC announced the Temporary Liquidity Guarantee Program. Under the program, all non-interest bearing funds held by qualifying financial institutions for the period October 14, 2008 through December 31, 2009 are fully insured. Uninsured cash and money market accounts for the Agency approximated \$134,000 as of December 31, 2008.

Contributions receivable consist of individual and corporate contribution pledges. No donor contributions exceeded 10% of total support and revenues in 2008. Contributions from one donor amounted to 21% of total support and revenues in 2007. Contributions receivable from five donors (three donors in 2007) amounted to \$313,000 (86%) and \$325,000 (53%) of total contributions receivable (before the present value discount) at December 31, 2008 and 2007, respectively.

Contributions receivable from Board members and related parties amounted to \$90,525 and \$151,500, as of December 31, 2008 and 2007, respectively.

NOTE 8 - ENDOWMENT FUND IN TRUST

The Agency is the named beneficiary of an endowment fund held in trust by the Community Foundation of Middle Tennessee. The endowment fund was created by numerous individual contributors and continues to receive annual donations from individuals. Earnings on this fund are for general operations and programs of the Agency. The Community Foundation has the ultimate authority and control over this fund and the income derived therefrom; therefore, the fund is excluded from the assets of the Agency. The balance of the fund was \$10,266 at December 31, 2008 (\$14,274 in 2007).

NOTE 9 - MEMBERSHIP RIGHTS

During 2007, the Agency entered into a 10-year membership agreement with the Golf Club of Tennessee (the "Club") and paid \$210,000 for membership rights. The Agency received a restricted contribution to finance the membership, which allows for 10 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 Agency has no equity or ownership or any other property interest in the Club. The Agency is amortizing the cost of the membership rights over the term of the agreement. For the year ended December 31, 2008, the Agency reported amortization expense of \$21,000 (\$15,750 in 2007).