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# **FAIRFIELD GLADE LADIES CLUB**

## **FINANCIAL STATEMENTS**

**June 30, 2021**

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**Approved by**

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**Date**

***HASSELL RAY YORK AND ASSOCIATES, P.C.***  
***CERTIFIED PUBLIC ACCOUNTANTS***

Phone: 931-484-5570  
P. O. Box 137 • 228 Rector Avenue  
Crossville, Tennessee 38557

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**FAIRFIELD GLADE LADIES CLUB**

**FINANCIAL STATEMENTS**

**June 30, 2021**

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**FAIRFIELD GLADE LADIES CLUB**

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**June 30, 2021**

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**INDEPENDENT ACCOUNTANTS  
REVIEW REPORT**

DRAFT  
**HASSELL RAY YORK AND ASSOCIATES, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
Phone: 931-484-5570  
P. O. Box 137 • 228 Rector Avenue  
Crossville, Tennessee 38557

November 12, 2021

Board of Directors  
Fairfield Glade Ladies Club  
P. O. Box 2004  
Fairfield Glade, Tennessee 38558

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

We have reviewed the accompanying financial statements of Fairfield Glade Ladies Club (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

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

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*HASSELL RAY YORK AND ASSOCIATES, P.C.*

Hassell Ray York  
Certified Public Accountant  
Crossville, Tennessee

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# **FINANCIAL STATEMENTS**

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**FAIRFIELD GLADE LADIES CLUB**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**

**ASSETS:**

	<u>Total Funds</u>
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$153,590.33
Prepaid Expenses	<u>150.00</u>
<b>TOTAL ASSETS</b>	<b><u>\$153,740.33</u></b>

**LIABILITIES AND NET ASSETS:**

<b><u>Current Liabilities</u></b>	
Deferred Revenues	\$123,382.80
Prepaid Dues and Fees	<u>7,530.00</u>
Total Liabilities	<u>130,912.80</u>
<b><u>Net Assets</u></b>	
Net Assets – Without Donor Restrictions	22,827.53
Net Assets – With Donor Restrictions	<u>.00</u>
Total Net Assets	<u>22,827.53</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$153,740.33</u></b>

*SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT*

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**FAIRFIELD GLADE LADIES CLUB**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total Funds
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Donations	\$ 19,495.00	\$ .00	\$ 19,495.00
Membership Dues	9,090.75	.00	9,090.75
Luncheons	6,662.00	.00	6,662.00
Special Events	7,214.18	.00	7,214.18
Service Projects	7,952.00	.00	7,952.00
Travel Club Trip Income (net of refunds)	.00	109,577.79	109,577.79
Other Income	48.60	.00	48.60
Net Assets Released From Restrictions: Satisfaction of Program Restrictions	109,577.79	(109,577.79)	.00
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>160,040.32</b>	<b>.00</b>	<b>160,040.32</b>
<b><u>EXPENSES</u></b>			
Program Ladies Club	44,251.84	.00	44,251.84
Program Travel Club	108,737.79	.00	108,737.79
Management and General	3,236.14	.00	3,236.14
<b>TOTAL EXPENSES</b>	<b>156,225.77</b>	<b>.00</b>	<b>156,225.77</b>
<b>CHANGE IN NET ASSETS</b>	3,814.55	.00	3,814.55
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>19,012.98</b>	<b>.00</b>	<b>19,012.98</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 22,827.53</b>	<b>\$ .00</b>	<b>\$ 22,827.53</b>

*SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT*



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**FAIRFIELD GLADE LADIES CLUB**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**

	Program Services		Total	Supporting Services		Total
	Ladies Club	Travel Club		Management and General	Funds	
Materials and Supplies						
Travel	.00	\$ 2,044.26	\$ 2,044.26	\$ 221.07	\$ 2,265.33	
Accounting	.00	106,693.53	106,693.53	.00	106,693.53	
Special Events	1,105.67	.00	1,105.67	1,400.00	1,400.00	
Membership Committee	1,322.50	.00	1,322.50	.00	1,105.67	
Luncheons	9,567.67	.00	9,567.67	.00	1,322.50	
Communications	.00	.00	.00	342.12	9,567.67	
Insurance	.00	.00	.00	899.00	342.12	
Donations	23,952.00	.00	23,952.00	.00	899.00	
Scholarships	8,000.00	.00	8,000.00	.00	23,952.00	
Miscellaneous	304.00	.00	304.00	.00	8,000.00	
Licenses/Fees	.00	.00	.00	373.95	304.00	
<b>Total Expenses</b>	<b>\$44,251.84</b>	<b>\$108,737.79</b>	<b>\$152,989.63</b>	<b>\$3,236.14</b>	<b>\$156,225.77</b>	

*SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT*

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**FAIRFIELD GLADE LADIES CLUB**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**

	<u>Total</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	<u>\$ 3,814.55</u>
Change in Net Assets	
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Decrease in Prepaid Expenses	650.00
Decrease in Scholarships Payable	(22,000.00)
Decrease in Prepaid Dues and Fees	(953.00)
Decrease in Deferred Revenues	<u>(16,125.51)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(34,613.96)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(34,613.96)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>188,204.29</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$153,590.33</u>

*SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT*

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# **NOTES TO THE FINANCIAL STATEMENTS**

**FAIRFIELD GLADE LADIES CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Fairfield Glade Ladies Club is a 501(c)(3) non-profit philanthropic organization that works together for the benefit of charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that also qualify as exempt organizations and benefit the residents of Cumberland County. The mission is to promote Fairfield Glade, provide scholarships to area students, to take an active part in the civic, social, and moral welfare of the community and to promote bonds of friendship and fellowship for women.

The Organization is supported primarily through sponsor donations and service projects. Additional revenue is derived from membership dues, travel club proceeds, and special fund-raising events.

**Basis of Accounting**

The financial statements of the Fairfield Glade Ladies Club have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of Net Assets that are based upon the existence or absence of restrictions of use that are place by its donors: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions.

Net Assets without Donor Restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of Net Assets without Donor Restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into within the course of its operations.

Net Assets with Donor Restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted for a particular purpose.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the Net Assets for Net Assets with Donor Restrictions to Net Assets without Donor Restrictions.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, Fairfield Glade Ladies Club, considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**FAIRFIELD GLADE LADIES CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Functional Expenses**

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on units of services and support costs are allocated to a program based on total program costs.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions that are restricted by the donor are reported as increases in Net Assets without Donor Restrictions if the restrictions expire in the reporting period in which the revenue is recognized. When a restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and reported in the Statement of Activities as Net Assets Released for Restrictions.

Club dues are recognized when received for the current year. Club dues paid in advance are deferred to the membership period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying event takes place.

**Donated Items and Services**

Donated items, such as equipment and installation of equipment, are reflected as contributions in the accompanying statements at their estimated value at date of receipt, if the amount is considered material. No amounts have been reflected in the statements for donated services inasmuch as no objective basis is available to measure the value of such services.

**Property and Equipment**

The Organization capitalizes all expenditures for property and equipment in excess of \$500.00. There were no property and equipment items in excess of that amount.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosures. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**Advertising Costs**

The Organization expenses advertising costs as incurred. For the year ended June 30, 2021, there were no advertising costs.

**FAIRFIELD GLADE LADIES CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income for 2021 and 2020 and, therefore, no provision for federal income taxes has been made.

The Organization’s form 990, Return of Organizations Exempt from Income Tax, for the years ending 2018, 2019, and 2020 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

**Subsequent Events**

Management has evaluated subsequent events through November 12, 2021, the date which the financial statements were available to be issued.

**NOTE B – CASH IN BANK**

Cash in Bank consists of three checking accounts at One Bank of Tennessee with balances on June 30, 2021 as follows:

Fairfield Glade Ladies Club	\$ 29,704.62
Fairfield Glade Ladies Club-Travel	123,382.80
Fairfield Glade Ladies Club-Debit Card	<u>502.91</u>
 Total Cash in Bank	 <u>\$153,590.33</u>

**NOTE C – DEFERRED REVENUE**

Deferred Revenue consists of Travel Club trip deferred income of \$123,382.80.

**NOTE D – TRAVEL CLUB**

Travel Club activities are stated as activities with Donor Restrictions. Deferred Revenue and Cash in Bank are offsetting amounts until funds are expended. This results in a zero balance in Net Assets with Donor Restrictions on the Statement of Financial Position on June 30, 2021. Net Assets Released from Restrictions on the Statement of Activities on June 30, 2021 is the amount of expenses and travel equity donated to program charities.

**NOTE E – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Fairfield Glade Ladies Club has \$30,207.53 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditures consisting of cash and cash equivalents. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position. Fairfield Glade Ladies Club has a goal to maintain financial assets on hand to meet sixty days of normal operating expense, which are, on average, approximately \$8,000. Fairfield Glade Ladies Club has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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**FAIRFIELD GLADE LADIES CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE F- REVENUE FROM CONTRACTS WITH CUSTOMERS**

The organization has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers* (Topic 606), as amended as it is believed the standard improves the usefulness and understandability of the Organization’s financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued reviewed financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.