

**OPEN TABLE OF NASHVILLE, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2016**

**OPEN TABLE OF NASHVILLE, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Open Table of Nashville, Inc.  
Nashville, Tennessee

We have audited the accompanying financial statements of Open Table of Nashville, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Table of Nashville, Inc. as of December 31, 2016, 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.

*Frasini, Dean & Howard, PLLC*

Nashville, Tennessee  
August 15, 2017

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2016**

**Assets**

Current assets:	
Cash and cash equivalents	\$ 279,256
Pledges receivable	44,185
Accounts receivable	6,159
Prepaid expenses	16,426
Total current assets	<u>346,026</u>
Property and equipment, net	<u>830</u>
Total assets	<u><u>\$ 346,856</u></u>

**Liabilities and Net Assets**

Current liabilities:	
Accounts payable and accrued liabilities	\$ 11,247
Deferred revenue	<u>11,500</u>
Total current liabilities	<u>22,747</u>
Net assets:	
Unrestricted	4,219
Temporarily restricted	<u>319,890</u>
Total net assets	<u>324,109</u>
Total liabilities and net assets	<u><u>\$ 346,856</u></u>

See accompanying notes.

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 303,413	\$ 474,251	\$ 777,664
In-kind	89,779	-	89,779
Annual event sponsor and ticket revenues	38,778	-	38,778
Net assets released from restrictions	184,361	(184,361)	-
	<u>616,331</u>	<u>289,890</u>	<u>906,221</u>
Expenses:			
Program services	472,221	-	472,221
Management and general	136,121	-	136,121
Fundraising	64,606	-	64,606
	<u>672,948</u>	<u>-</u>	<u>672,948</u>
Change in net assets	(56,617)	289,890	233,273
Net assets, beginning of year	<u>60,836</u>	<u>30,000</u>	<u>90,836</u>
Net assets, end of year	<u><u>\$ 4,219</u></u>	<u><u>\$ 319,890</u></u>	<u><u>\$ 324,109</u></u>

See accompanying notes.

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2016**

	Program Services					Supporting Services			
	Street Outreach	Micro Homes	Education	Volunteer Community Relations	Total	Management and General	Fund Raising	Total	Total
Salaries and related expenses	\$ 170,751	\$ 31,092	\$ 30,566	\$ 18,195	\$ 250,604	\$ 33,052	\$ 16,420	\$ 49,472	\$ 300,076
Street outreach (includes \$89,779 in-kind)	93,324	-	-	-	93,324	-	4,160	4,160	97,484
Contract labor	9,984	-	-	-	9,984	31,941	9,484	41,425	51,409
Micro homes	-	32,110	-	-	32,110	-	-	-	32,110
Event expense	-	-	-	-	-	-	30,762	30,762	30,762
Payroll taxes	11,447	1,954	1,403	1,191	15,995	8,330	739	9,069	25,064
Insurance	-	1,835	-	-	1,835	12,801	-	12,801	14,636
Rent expense	8,894	87	-	-	8,981	5,628	-	5,628	14,609
Supplies	6,003	81	87	-	6,171	3,847	2,437	6,284	12,455
Chaplaincy	-	-	12,352	-	12,352	-	-	-	12,352
Meals and entertainment	7,878	-	759	-	8,637	2,826	464	3,290	11,927
Professional fees	-	6,629	-	-	6,629	2,589	-	2,589	9,218
Travel	7,767	-	-	-	7,767	865	-	865	8,632
Telephone	46	-	-	-	46	8,496	-	8,496	8,542
Printing and technology	-	-	114	-	114	6,120	-	6,120	6,234
Fees and penalties	2,636	-	-	-	2,636	3,268	-	3,268	5,904
Facilities and equipment	3,160	1,708	-	-	4,868	-	-	-	4,868
Staff development	-	-	-	-	-	3,863	-	3,863	3,863
Dues and subscriptions	-	-	-	-	-	3,363	-	3,363	3,363
Auto expense	-	-	-	-	-	3,279	-	3,279	3,279
Miscellaneous	2,428	-	-	-	2,428	610	-	610	3,038
Storage	3,036	-	-	-	3,036	-	-	-	3,036
Utilities	448	-	-	-	448	1,703	-	1,703	2,151
Depreciation	1,460	-	-	-	1,460	-	-	-	1,460
Donations and gifts	-	-	-	-	-	1,394	-	1,394	1,394
Resource shelter	1,263	-	-	-	1,263	-	-	-	1,263
Postage and delivery	-	-	-	-	-	1,149	-	1,149	1,149
Advertising and marketing	-	-	-	-	-	997	140	1,137	1,137
Financial aid	856	-	-	-	856	-	-	-	856
Education	-	-	677	-	677	-	-	-	677
Total	\$ 331,381	\$ 75,496	\$ 45,958	\$ 19,386	\$ 472,221	\$ 136,121	\$ 64,606	\$ 200,727	\$ 672,948

See accompanying notes.

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2016**

Cash flows from operating activities:	
Change in net assets	\$ 233,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,460
Changes in operating assets and liabilities:	
Pledges receivable	(29,185)
Accounts receivable	(6,159)
Prepaid expenses	(16,426)
Accounts payable and accrued liabilities	2,463
Deferred revenue	11,500
	<hr/>
Net cash provided by operating activities	196,926
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Net increase in cash and cash equivalents	196,926
Cash and cash equivalents, beginning of year	82,330
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Cash and cash equivalents, end of year	\$ 279,256
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See accompanying notes.



**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 – NATURE OF THE ORGANIZATION**

Open Table of Nashville, Inc. (the “Organization”) was chartered during the fourth quarter of 2010 as a not-for-profit organization in the state of Tennessee. The Organization is an interfaith homeless outreach organization that disrupts cycles of poverty, journeys with the marginalized, and provides education about issues of homelessness. The Organization’s major sources of funding are contributions and grants from donors.

**Program Services**

Street Outreach – The Organization is committed to relational outreach which involves journeying with un-housed and precariously housed individuals and families, being a consistent presence in the homeless community, advocating with the marginalized, and creatively networking available resources.

Microhomes – The Organization provides a dignified, loving, and hospitable bridge housing community for our most vulnerable friends experiencing homelessness.

Education – The Organization believes that in order to disrupt cycles of poverty and homelessness, we must first understand such cycles. Therefore, we facilitate trainings and provide resources and curriculum to help groups better understand the complexity of these issues while promoting personal transformation and systemic change in our community.

Volunteer Community Relations – The Organization’s employees and volunteers serve in the homeless community to disrupt cycles of poverty, to build a culture focusing on restoration, and to increase the availability of housing and healthcare.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed for not-for-profit organizations. Under these guidelines revenues are recorded when earned rather than when received and expenses are recorded when incurred rather than when paid. Net assets of the Organization, and changes therein, are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2016**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Presentation** (Continued)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions which are restricted for specific programs are reflected as unrestricted revenue if these funds are received and spent in the same fiscal year.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no permanently restricted net assets at December 31, 2016.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recorded when the promises are made. Donor restricted contributions are reported as increases to temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible pledges receivable. Management believes that pledges receivable are fully collectible at December 31, 2016. As a result, no allowance for uncollectible accounts has been provided. All pledges receivable are due within one year.

**Accounts Receivable**

Accounts receivable are reviewed periodically as to their collectability. Uncollectible accounts are written off in the period in which they are determined to be uncollectible. Management believes that accounts receivable are fully collectible at December 31, 2016. As a result, no allowance for accounts receivable has been provided. All accounts receivable are due within one year.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2016**

**Property and Equipment**

Property and equipment are stated at acquisition cost, or estimated fair value if donated, less accumulated depreciation, which is computed using the straight-line method over an estimated useful life of three to five years. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized.

**Deferred Revenues**

Deferred revenues represent receipt of funds which were contingent upon meeting future program requirements. Such amounts are recognized as revenue in the year to which the contingency is met.

**Contributions**

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

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at the time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Allocation of Functional Expenses**

Expenses that can be directly attributed to a particular function are charged to that function. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense totaled \$1,137 for the year ended December 31, 2016.

**Donated Materials and Services**

Donated materials and supplies are reflected as contributions and expenses in the accompanying statements at their estimated values upon receipt (See Note 7).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2016**

**Donated Materials and Services (Continued)**

During the year ended December 31, 2016, the Organization received approximately 8,200 hours of donated services from unpaid volunteers who assisted in various activities. The value of this contributed time is not reflected in these statements since it does not meet the recording requirements specified by accounting principles generally accepted in the United States of America.

**Use of Estimates**

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.

**Income Taxes**

The Organization has qualified for tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Organization follows Financial Accounting Standards Board Accounting Standards Codification guidance related to uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements and has no uncertain tax positions at December 31, 2016.

**Subsequent Events**

The Organization evaluated subsequent events through August 15, 2017, when these financial statements were available to be issued. Except for the matters described in Note 6, management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

**NOTE 3 – CONCENTRATIONS**

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2016**

The Organization, at times, maintains cash and cash equivalents in excess of amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). In management’s opinion, risk related to each deposit is minimal based on the credit rating of its primary depository.

The Organization received approximately 23% of its contributions from one major donor for the year ended December 31, 2016.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2016:

Vehicles	\$ 8,800
Furniture and equipment	<u>1,591</u>
	10,391
Less accumulated depreciation	<u>(9,561)</u>
	<u>\$ 830</u>

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

The Organization receives contributions restricted for specific purposes or restrictions that expire by the passage of time. Following is a summary of the temporary restricted activity for the year ended December 31, 2016:

<u>Purpose</u>	<u>Balance at January 1, 2016</u>	<u>Contributions</u>	<u>Expenses/ Releases</u>	<u>Balance at December 31, 2016</u>
Micro homes	\$ 15,000	\$ 268,840	\$ 40,635	\$ 243,205
Pledges receivable	15,000	45,000	15,815	44,185
Street outreach	-	50,000	17,500	32,500
Salary support	<u>-</u>	<u>110,411</u>	<u>110,411</u>	<u>-</u>
	<u>\$ 30,000</u>	<u>\$ 474,251</u>	<u>\$ 184,361</u>	<u>\$ 319,890</u>

**NOTE 6 – SUBSEQUENT EVENTS**

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2016**

During January 2017, the Organization entered into a lease agreement with Glencliff United Methodist Church to establish a community for homeless persons. This community shall include tiny homes or micro homes to house and administer services to homeless persons. The lease is at a rate of one dollar per year. The lease expires in 2022 and shall be automatically renewed for one year terms at the discretion of the Organization.

During May 2017, the Organization entered into a lease agreement with the Tennessee Conference of the United Methodist Church to pursue a limited study of certain property to be used as a future residential community for the homeless as well as the use of an existing facility for office space and a temporary warming shelter. The lease is at a rate of one dollar per year. The lease expires in February 2018.

**NOTE 7 – GIFTS IN-KIND**

During 2016, the Organization recorded donated materials with an estimated value of \$89,779 as in-kind revenues and expenses in the statements of activities and functional expenses.