

Open Table of Nashville

Financial Statements
For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

Board of Directors
Open Table of Nashville

Opinion

We have audited the financial statements of Open Table of Nashville (the Organization), which comprise the statement of financial position as of December 31, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization, as of and for the year ended December 31, 2021, were audited by other auditors, whose report, dated September 23, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts, and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Nashville, Tennessee
August 24, 2023

Open Table of Nashville
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 405,233	\$ 444,081
Total current assets	405,233	444,081
Property and equipment, net	85	141
Total assets	\$ 405,318	\$ 444,222
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 6,076	\$ 2,939
Accrued expenses	12,266	9,554
Total current liabilities	18,342	12,493
Net assets		
Without donor restrictions	386,976	431,729
With donor restrictions	-	-
Total net assets	386,976	431,729
Total liabilities and net assets	\$ 405,318	\$ 444,222

Open Table of Nashville
Statement of Activities
For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue and Other Support			
Contributions of cash and other financial assets	\$ 636,779	\$ -	\$ 636,779
Contributions of nonfinancial assets	68,103	-	68,103
Annual event sponsor and ticket revenues	24,473	-	24,473
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other support	729,355	-	729,355
Expenses			
Program services	508,778	-	508,778
Management and general	225,253	-	225,253
Fundraising	<u>40,077</u>	<u>-</u>	<u>40,077</u>
Total expenses	774,108	-	774,108
Change in net assets	(44,753)	-	(44,753)
Net assets, beginning of year	<u>431,729</u>	<u>-</u>	<u>431,729</u>
Net assets, end of year	\$ 386,976	\$ -	\$ 386,976

Open Table of Nashville
Statement of Activities
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue and Other Support			
Contributions of cash and other financial assets	\$ 708,529	\$ 304,422	\$ 1,012,951
Contributions of nonfinancial assets	28,798	-	28,798
Annual event sponsor and ticket revenues	44,642	-	44,642
Federal grant paycheck protection program	77,810	-	77,810
Net assets released from restrictions	<u>457,556</u>	<u>(457,556)</u>	<u>-</u>
Total revenue and other support	1,317,335	(153,134)	1,164,201
Expenses			
Program services	1,757,588	-	1,757,588
Management and general	189,538	-	189,538
Fundraising	<u>82,026</u>	<u>-</u>	<u>82,026</u>
Total expenses	2,029,152	-	2,029,152
Change in net assets	(711,817)	(153,134)	(864,951)
Net assets, beginning of year	<u>1,143,546</u>	<u>153,134</u>	<u>1,296,680</u>
Net assets, end of year	\$ 431,729	\$ -	\$ 431,729

Open Table of Nashville
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services				Supporting Services		
	Street Outreach	Volunteer Community Relations	Education	Total Program Services	Management and General	Fundraising	Total
Salaries and related expenses	\$ 308,030	\$ -	\$ 29,334	\$ 337,364	\$ 101,538	\$ 9,403	\$ 448,305
Advertising and marketing	-	-	-	-	-	2,935	2,935
Advocacy	-	982	58	1,040	11	-	1,051
Auto expense	-	-	-	-	140	-	140
Chaplaincy	64	-	29	93	44	-	137
Contract labor	4,533	-	-	4,533	-	-	4,533
Depreciation	56	-	-	56	-	-	56
Discretionary funds	-	-	-	-	429	-	429
Dues and subscriptions	-	-	-	-	499	102	601
Education	-	-	1,809	1,809	-	50	1,859
Event expense	-	-	-	-	747	11,206	11,953
Fees and penalties	-	-	-	-	8,058	-	8,058
Financial aid	4,944	-	-	4,944	-	-	4,944
Furniture delivery	1,501	-	-	1,501	-	-	1,501
Insurance	-	-	-	-	11,424	-	11,424
Legal	-	-	-	-	50	-	50
Meals and entertainment	-	-	-	-	536	-	536
Miscellaneous	-	52	-	52	1,425	-	1,477
Online service	-	-	-	-	6,546	1,637	8,183
Payroll taxes	8,288	-	5,177	13,465	17,918	1,659	33,042
Postage and delivery	99	-	-	99	1,490	397	1,986
Printing and technology	8,619	-	-	8,619	1,379	1,494	11,492
Professional fees	-	-	-	-	33,765	-	33,765
Rent expense	-	-	-	-	15,822	-	15,822
Staff development	-	-	-	-	14,380	7,743	22,123
Street outreach	67,100	-	-	67,100	540	355	67,995
Supplies	68,103	-	-	68,103	-	3,096	71,199
Telephone	-	-	-	-	7,917	-	7,917
Travel	-	-	-	-	595	-	595
	\$ 471,337	\$ 1,034	\$ 36,407	\$ 508,778	\$ 225,253	\$ 40,077	\$ 774,108

Open Table of Nashville
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services					Supporting Services		
	Street Outreach	Volunteer Community Relations	Micro Homes	Education	Total Program Services	Management and General	Fundraising	Total
Donations and gifts	\$ -	\$ 20	\$ 1,353,872	\$ -	\$ 1,353,892	\$ -	\$ 26	\$ 1,353,918
Salaries and related expenses	266,311	-	-	25,864	292,175	92,947	65,524	450,646
Advertising and marketing	-	-	-	-	-	-	380	380
Auto expense	-	-	-	-	-	186	-	186
Chaplaincy	-	-	-	164	164	-	-	164
Contract labor	3,090	-	-	-	3,090	(232)	-	2,858
Depreciation	1,610	-	-	-	1,610	-	-	1,610
Discretionary funds	-	-	-	-	-	639	-	639
Dues and subscriptions	-	-	-	-	-	5,366	1,073	6,439
Education	-	-	-	1,496	1,496	-	200	1,696
Event expense	-	-	-	-	-	1,057	4,787	5,844
Fees and penalties	-	-	-	-	-	11,563	-	11,563
Financial aid	2,971	-	-	-	2,971	-	-	2,971
Furniture delivery	1,923	26	-	-	1,949	-	-	1,949
Insurance	-	-	-	-	-	11,623	-	11,623
Legal	-	-	-	-	-	717	-	717
Meals and entertainment	-	-	-	-	-	136	100	236
Miscellaneous	-	12	-	-	12	-	-	12
Online service	-	-	-	-	-	4,087	1,020	5,107
Payroll taxes	19,428	-	-	1,867	21,295	6,735	4,720	32,750
Postage and delivery	64	-	-	-	64	975	273	1,312
Printing and technology	10,555	-	-	-	10,555	1,937	1,658	14,150
Professional fees	-	-	-	-	-	30,305	-	30,305
Rent expense	-	-	-	-	-	15,113	-	15,113
Resource shelter	43	-	-	-	43	-	-	43
Staff development	-	-	-	-	-	418	223	641
Street outreach	39,369	-	-	45	39,414	228	246	39,888
Supplies	28,798	-	-	50	28,848	(660)	1,779	29,967
Telephone	-	-	-	-	-	6,163	-	6,163
Travel	-	-	-	10	10	235	17	262
	\$ 374,162	\$ 58	\$ 1,353,872	\$ 29,496	\$ 1,757,588	\$ 189,538	\$ 82,026	\$ 2,029,152

See notes to financial statements

Open Table of Nashville
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash and cash equivalents, beginning of year	\$ 444,081	\$ 409,138
Cash flows from operating activities		
Change in net assets	(44,753)	(864,951)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	56	1,610
Noncash contribution to The Village at Glencliff	-	973,840
Change in:		
Accounts payable	3,137	(8,087)
Accrued expenses	<u>2,712</u>	<u>302</u>
Net cash provided (used) by operating activities	(41,560)	102,412
Cash flows from investing activities		
Purchases of property and equipment and construction in progress	-	(67,771)
Net change in cash and cash equivalents	<u>(38,848)</u>	<u>34,943</u>
Cash and cash equivalents, end of year	\$ 405,233	\$ 444,081
Noncash flows from investing and financing activities		
Contribution of construction in progress	\$ -	\$ 1,023,840
Assignment of debt to The Village at Glencliff	\$ -	\$ (50,000)

Open Table of Nashville
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 1. Nature of the Organization

Open Table of Nashville (the Organization) was chartered during 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.

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.

Micro Homes – During 2021, the Organization continued the process of constructing a dignified, loving, and hospitable bridge housing community for our most vulnerable friends experiencing homelessness. However, these assets, and the related debt and lease were contributed or assigned to a new organization created to manage this program (see note 6).

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

Public Policy and Advocacy – The Organization strives for advocating for a comprehensive, inclusive, and adequately funded plan to address the urgent need for affordable housing in Nashville.

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 (US GAAP) 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:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization held no net assets with donor restrictions at December 31, 2022 and 2021.

Open Table of Nashville
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 2. Summary of Significant Accounting Policies

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.

Property and Equipment

Property and equipment is 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 seven years. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized.

Contributions

Contributions received are recorded as net assets with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

The expiration of that 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 net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions of Nonfinancial Assets (New Accounting Standard Adopted in 2022)

The Organization records various types of contributions of nonfinancial assets. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as contributions of nonfinancial assets are typically offset by like amounts included in expenses, except for contributions of property and equipment.

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization receives contributed time from volunteers which does not meet this recognition criteria. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Allocation of Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements 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. The expenses that are allocated include the following:

	Method of allocation
Payroll and related expenses	Time and effort

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising expense totaled \$2,935 and \$380 for the years ended December 31, 2022 and 2021, respectively.

Open Table of Nashville
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transaction. As of December 31, 2022, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation.

Note 3. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 405,233	\$ 444,081
Less amounts not available to be used within one year		
Restrictions for specific programs	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 405,233	\$ 444,081

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 supporting the homeless in Tennessee, as well as the conduct of services undertaken to support those activities to be general expenditures. As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Open Table of Nashville
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 4. Concentrations

The Organization, at times, maintains cash and cash equivalents in excess of amounts insured by the Federal Deposit Insurance Corporation. As of December 31, 2022 and 2021, the Organization held funds that exceeded the federally insured limits by approximately \$119,000 and \$156,000, respectively. In management's opinion, risk related to each deposit is minimal based on the credit rating of its primary depository.

As of December 31, 2022, one donor represented approximately 14% of total revenue and other support received by the organization.

Note 5. Property and Equipment

Property and equipment consists of the following:

	2022	2021
Property and equipment	\$ 14,063	\$ 14,063
Less: accumulated depreciation	<u>(13,978)</u>	<u>(13,922)</u>
Property and equipment, net	\$ 85	\$ 141

Note 6. Donation of Micro Home Village

During 2021, a new separate, unrelated 501(c)(3) organization was formed to operate and manage the Micro Home program described in note 1. Related debt (see note 7), and the Glencliff United Methodist Church lease agreement, were gifted or assigned from the Organization to this new organization called the Village at Glencliff. Additionally, contributions received and restricted for the purpose of building this village and certain purchased supplies and services were also contributed to the new organization. This contribution totaled \$1,353,872 and is presented as donation and gifts expense on the 2021 statement of functional expenses.

Note 7. Notes Payable

On May 25, 2018, the Organization signed a \$25,000 promissory note that is non-interest bearing and matures May 25, 2024. On August 12, 2021, the lender agreed to assign the note payable to The Village at Glencliff. Terms remained unchanged allowing the lender to request repayment of all or part of the balance outstanding and the debtor shall make a very good faith effort to repay the amount of such request within 30 days of notice of such request.

On June 11, 2018, the Organization signed a \$25,000 promissory note that is non-interest bearing. On August 12, 2021, the lender agreed to assign the debt to The Village at Glencliff. Terms remained unchanged except the note maturity date was extended to May 25, 2024.

Open Table of Nashville
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 8. COVID Relief

During 2021, the Organization received a Paycheck Protection Program (PPP) loan in the amount of \$77,810. The PPP loan was granted by the Small Business Administration (SBA) under the Coronavirus Aid Relief, and Economic Security Act (the CARES Act). PPP loans are considered conditional contributions. The Organization recognized grant revenue for the full amount of \$77,810 in 2021. During 2022 the Organization received SBA notification of the loan's forgiveness.

Note 9. Contributions of Nonfinancial Assets

The Organization received donated supplies totaling \$68,103 and \$28,798 during 2022 and 2021, respectively, that were used within its street outreach program. Donated supplies are valued and reported at their estimated fair value based on current rates for similar goods. A number of unpaid volunteers have made significant contributions of their time to assist the Organization in achieving its stated goals. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets with donor imposed restrictions.

Note 10. Subsequent Events

Management has evaluated subsequent events through August 24, 2023, the date on which the financial statements were available for issuance.