

OPEN TABLE OF NASHVILLE, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

And Report of Independent Auditor

OPEN TABLE OF NASHVILLE, INC.
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Report of Independent Auditor

To the Board of Directors
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 statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 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 audits 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in Note 11 to the financial statements, the Organization has been impacted by the outbreak of the novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our conclusion is not modified with respect to this matter.



Nashville, Tennessee
October 22, 2020

OPEN TABLE OF NASHVILLE, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 162,941	\$ 335,499
Pledges receivable	-	3,470
Grant receivable	-	32,000
Total Current Assets	<u>162,941</u>	<u>370,969</u>
Construction in progress	803,341	494,488
Property and equipment, net	<u>4,470</u>	<u>5,832</u>
Total Assets	<u><u>\$ 970,752</u></u>	<u><u>\$ 871,289</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 40,168	\$ 29,767
Note payable	<u>25,000</u>	<u>25,000</u>
Total Current Liabilities	65,168	54,767
Note payable	<u>25,000</u>	<u>25,000</u>
Total Liabilities	<u>90,168</u>	<u>79,767</u>
Net Assets:		
Without donor restrictions	830,174	505,223
With donor restrictions	<u>50,410</u>	<u>286,299</u>
Total Net Assets	<u>880,584</u>	<u>791,522</u>
Total Liabilities and Net Assets	<u><u>\$ 970,752</u></u>	<u><u>\$ 871,289</u></u>

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 501,520	\$ 108,434	\$ 609,954
In-kind	28,237	-	28,237
Annual event sponsor and ticket revenues	30,392	-	30,392
Net assets released from restrictions	<u>344,323</u>	<u>(344,323)</u>	<u>-</u>
Total Revenue and Other Support	<u>904,472</u>	<u>(235,889)</u>	<u>668,583</u>
Expenses:			
Program services	255,429	-	255,429
Management and general	245,781	-	245,781
Fundraising	<u>74,185</u>	<u>-</u>	<u>74,185</u>
Total Expenses	<u>575,395</u>	<u>-</u>	<u>575,395</u>
Other Expense			
Loss on disposal of equipment	<u>(4,126)</u>	<u>-</u>	<u>(4,126)</u>
Total other loss	<u>(4,126)</u>	<u>-</u>	<u>(4,126)</u>
Change in net assets	324,951	(235,889)	89,062
Net assets, beginning of year	<u>505,223</u>	<u>286,299</u>	<u>791,522</u>
Net assets, end of year	<u>\$ 830,174</u>	<u>\$ 50,410</u>	<u>\$ 880,584</u>

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

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 626,522	\$ 424,230	\$ 1,050,752
In-kind	38,142	-	38,142
Annual event sponsor and ticket revenues	-	-	-
Net assets released from restrictions	510,555	(510,555)	-
Total Revenue and Other Support	1,175,219	(86,325)	1,088,894
Expenses:			
Program services	376,026	-	376,026
Management and general	297,785	-	297,785
Fundraising	30,204	-	30,204
Total Expenses	704,015	-	704,015
Change in net assets	471,204	(86,325)	384,879
Net assets, beginning of year	34,019	372,624	406,643
Net assets, end of year	\$ 505,223	\$ 286,299	\$ 791,522

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Program Services						Supporting Services			
	Street Outreach	Volunteer Community Relations	Micro Homes	Education	Public Policy and Advocacy	Total Program Services	Management and General	Fund Raising	Supporting Services	Total
Salaries and related expenses	\$ 141,746	\$ 15,752	\$ -	\$ 31,772	\$ -	\$ 189,270	\$ 123,885	\$ 25,966	\$ 149,851	\$ 339,121
Event expense	-	-	-	-	-	-	46	45,665	45,711	45,711
Professional fees	-	-	-	-	-	-	24,156	-	24,156	24,156
Payroll taxes	13,153	4	-	1,993	-	15,150	6,604	977	7,581	22,731
Street outreach	21,655	-	-	-	-	21,655	-	-	-	21,655
In-kind	-	-	-	-	-	-	20,237	-	20,237	20,237
Printing and technology	9,905	100	-	-	-	10,005	3,870	330	4,200	14,205
Insurance	-	-	-	-	-	-	14,195	-	14,195	14,195
Telephone	-	-	-	-	-	-	13,748	-	13,748	13,748
Online service	-	200	-	-	-	200	9,302	-	9,302	9,502
Fees and penalties	-	-	-	-	-	-	7,791	-	7,791	7,791
Rent expense	-	-	-	-	-	-	6,000	-	6,000	6,000
Financial aid	5,471	-	-	-	-	5,471	-	-	-	5,471
AmeriCorps	4,250	-	-	-	-	4,250	-	-	-	4,250
Depreciation	3,550	-	-	-	-	3,550	-	-	-	3,550
Bad debt expense	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	3,470	-	3,470	3,470
Advertising and marketing	-	-	-	-	-	-	3,058	-	3,058	3,058
Supplies	-	-	-	-	-	-	2,135	743	2,878	2,878
Contract labor	1,735	-	-	-	-	1,735	-	65	2,090	2,090
Staff development	-	-	-	78	-	78	1,579	-	1,579	1,657
Resource shelter	1,415	-	-	-	-	1,415	-	-	-	1,415
Discretionary funds	-	-	-	-	-	-	1,354	-	1,354	1,354
Education	82	-	-	1,103	43	1,228	-	-	-	1,228
Postage and delivery	69	-	-	-	-	69	581	353	934	1,003
Auto expense	285	-	-	-	-	285	550	-	550	835
Facilities and equipment	741	-	-	-	-	741	-	-	-	741
Dues and subscriptions	-	-	-	-	-	-	587	-	587	587
Travel	8	-	-	-	-	8	272	57	329	337
Legal	-	-	-	-	-	-	290	-	290	290
Volunteers	-	286	-	-	-	286	-	-	-	286
Meals and entertainment	-	-	-	-	-	-	13	29	42	42
Chaplaincy	-	-	-	33	-	33	-	-	-	33
Donations and gifts	-	-	-	-	-	-	31	-	31	31
Miscellaneous	-	-	-	-	-	-	2	-	2	2
	\$ 204,065	\$ 16,342	\$ -	\$ 34,979	\$ 43	\$ 255,429	\$ 245,781	\$ 74,185	\$ 319,966	\$ 575,395

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

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSE

YEAR ENDED DECEMBER 31, 2018

	Volunteer			Program Services				Public			Supporting Services		
	Street Outreach	Community Relations	Micro Homes	Education	Policy and Advocacy	Total Program Services	Management and General	Fund Raising	Supporting Services	Total			
Salaries and related expenses	\$ 153,500	\$ 36,390	\$ 32,522	\$ 24,375	\$ -	\$ 246,787	\$ 126,034	\$ 23,109	\$ 149,143	\$ 395,930			
In-kind	-	-	1,000	-	-	1,000	37,142	-	37,142	38,142			
Utilities	-	-	-	-	-	-	35,011	-	35,011	35,011			
Street outreach	32,650	-	-	281	-	32,931	45	-	45	32,976			
Chaplaincy	23,640	-	-	300	-	23,940	-	-	-	23,940			
Payroll taxes	11,258	2,253	1,841	18	-	15,370	7,400	424	7,824	23,194			
Professional fees	75	-	-	-	-	75	22,900	-	22,900	22,975			
Event expense	-	-	-	18	-	18	13,291	1,480	14,771	14,789			
Insurance	-	-	-	-	-	-	13,750	-	13,750	13,750			
Printing and technology	8,704	295	-	-	150	9,149	2,122	2,413	4,535	13,684			
AmeriCorps	11,738	54	-	-	-	11,792	-	-	-	11,792			
Telephone	-	-	-	-	-	-	10,569	-	10,569	10,569			
Financial aid	9,453	-	-	-	-	9,453	-	-	-	9,453			
Advocacy	-	-	-	-	7,539	7,539	-	-	-	7,539			
Fees and penalties	3	-	-	-	-	3	7,505	-	7,505	7,508			
Online service	120	-	-	-	-	120	6,539	-	6,539	6,659			
Rent expense	-	-	-	-	-	-	6,000	-	6,000	6,000			
Depreciation	5,021	-	-	-	-	5,021	-	-	-	5,021			
Contract labor	1,920	-	-	-	-	1,920	1,750	-	1,750	3,670			
Supplies	142	20	579	-	-	741	2,313	128	2,441	3,182			
Advertising and marketing	-	-	-	-	-	-	856	2,170	3,026	3,026			
Staff development	-	-	1,700	-	-	1,700	1,172	-	1,172	2,872			
Auto expense	704	-	-	-	-	704	1,717	-	1,717	2,421			
Resource shelter	1,655	-	-	-	-	1,655	81	-	81	1,736			
Discretionary funds	1,702	-	-	-	-	1,702	-	-	-	1,702			
Travel	20	67	1,296	82	-	1,465	142	54	196	1,661			
Education	372	16	-	852	-	1,240	27	-	27	1,267			
Postage and delivery	32	88	-	-	-	120	501	283	784	904			
Dues and subscriptions	-	361	-	-	-	361	360	-	360	721			
Facilities and equipment	666	-	-	-	-	666	-	-	-	666			
Volunteers	15	518	-	-	-	533	-	-	-	533			
Donations and gifts	-	-	-	-	-	-	464	-	464	464			
Meals and entertainment	-	-	-	21	-	21	94	23	117	138			
Miscellaneous	-	-	-	-	-	-	-	120	120	120			
	\$ 263,390	\$ 40,062	\$ 38,938	\$ 25,947	\$ 7,689	\$ 376,026	\$ 297,785	\$ 30,204	\$ 327,989	\$ 704,015			

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

OPEN TABLE OF NASHVILLE, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 89,062	\$ 384,879
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,550	5,021
Loss (Gain) on disposal of assets	4,126	(1,924)
Changes in operating assets and liabilities:		
Pledges receivable	3,470	-
Accounts receivable	-	3,000
Grant receivable	32,000	(32,000)
Prepaid expenses	-	5,833
Accounts payable and accrued liabilities	10,401	21,625
Net cash provided by operating activities	<u>142,609</u>	<u>386,434</u>
Cash flows from investing activities:		
Purchases of property and equipment and construction in progress	(320,040)	(485,640)
Proceeds from the sale of property and equipment	4,873	2,147
Net cash used in investing activities	<u>(315,167)</u>	<u>(483,493)</u>
Cash flows from financing activities:		
Proceeds from borrowings	-	50,000
Net cash provided by financing activities	<u>-</u>	<u>50,000</u>
Net decrease in cash and cash equivalents	(172,558)	(47,059)
Cash and cash equivalents, beginning of year	335,499	382,558
Cash and cash equivalents, end of year	<u>\$ 162,941</u>	<u>\$ 335,499</u>

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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 unhoused and precariously housed individuals and families, being a consistent presence in the homeless community, advocating with the marginalized, and creatively networking available resources.

Micro Homes – 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.

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 (“U.S. 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. None of the Organization’s net assets with donor restrictions are required to be held in perpetuity by the donors at December 31, 2019 and 2018.

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.

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

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 net assets with donor restrictions. When a restriction expires, they are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible pledges receivable. The Organization had \$-0- and \$3,470 pledges receivable at December 31, 2019 and 2018, respectively. During 2019, management reserved the December 31, 2018 pledge receivable balance as uncollectible and charged the balance to bad debt expense.

Accounts Receivable and Grant Receivable – These receivable balances are reviewed periodically as to their collectability. Uncollectible accounts are written off in the period in which they are determined to be uncollectible. The Organization had \$-0- and \$32,000 grant receivable at December 31, 2019 and 2018, respectively. The \$32,000 balance outstanding at December 31, 2018 was collected during 2019.

Construction in Progress – Construction in progress represents costs incurred to date to construct micro homes to house and administer services to homeless persons. When construction is completed and the homes are placed in service, the costs incurred will be transferred to property and depreciated.

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.

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.

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:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll and related expenses	Time and effort

Advertising and Marketing Costs – Advertising and marketing costs are expensed as incurred. Advertising expense totaled \$2,878 and \$3,026 for the years ended December 31, 2019 and 2018, respectively.

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 9).

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

During the years ended December 31, 2019 and 2018, the Organization received approximately 2,200 and 10,200 hours of donated services, respectively, 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 U.S. GAAP.

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 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.

Adoption of New Accounting Standards – In May 2014, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequent to ASU 2014-09, FASB issued several related ASUs (collectively “ASC 606”). The Organization adopted the provisions of ASU 2014-09 and the related ASUs as of January 1, 2019 using a modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of January 1, 2019. There was no change in the timing and amount of revenue recognition as a result of the adoption of these ASUs.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The Organization adopted this ASU during 2019. There was no change in the timing and amount of revenue recognition as a result of the adoption of this ASU.

Accounting Policies for Future Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Accounting Standards Codification (“ASC”) 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Organization for the year ending December 31, 2022. A modified retrospective transition approach is required for leases for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with practical expedients available. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements. See Note 8 for disclosure regarding the Organization’s current operating lease.

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 3—Liquidity and availability of resources

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

	2019	2018
Financial assets at year-end:		
Cash and cash equivalents, at year-end	\$ 162,941	\$ 335,499
Grant receivable	-	32,000
	<u>162,941</u>	<u>367,499</u>
Less amounts unavailable for general expenditures due to restrictions for specific programs	<u>(50,410)</u>	<u>(286,299)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 112,531</u>	<u>\$ 81,200</u>

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, 2018, the Organization held funds that exceeded the federally insured limits by approximately \$65,000. In management's opinion, risk related to each deposit is minimal based on the credit rating of its primary depository.

The Organization received approximately 25% of its contributions from one major donor for the year ended December 31, 2018.

Note 5—Property and equipment

Property and equipment consists of the following at December 31, 2019 and 2018:

	2019	2018
Vehicles	\$ -	\$ 6,000
Furniture and equipment	<u>14,063</u>	<u>12,675</u>
	14,063	18,675
Less accumulated depreciation	<u>(9,593)</u>	<u>(12,843)</u>
	<u>\$ 4,470</u>	<u>\$ 5,832</u>

At December 31, 2019 and 2018, construction in progress, of \$803,341 and \$494,488, respectively, consists of architect and professional fees and other construction costs incurred related to the construction of the micro home village.

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 6—Notes payable

On May 25, 2018, the Organization signed a \$25,000 promissory note that is noninterest bearing and matures on May 25, 2024. However, before the due date, the lender may request repayment of all or part of the balance outstanding and the Organization shall make a very good faith effort to repay the amount of such request within thirty days of notice of such request. Consequently, the \$25,000 note balance is included in current liabilities on the December 31, 2019 and 2018 statements of financial position.

On June 11, 2018, the Organization signed a \$25,000 promissory note that is noninterest bearing and matures on June 11, 2021. The \$25,000 note balance is included in long-term debt on the December 31, 2019 and 2018 statements of financial position.

Note 7—Net assets with donor restrictions

The Organization receives contributions restricted for specific purposes or restrictions that expire by the passage of time. Following is a summary of the activity for net assets with donor restrictions for the years ended December 31, 2019 and 2018:

Purpose	Balance, January 1, 2019	Contributions	Expenses/ Releases	Balance, December 31, 2019
Micro homes	\$ 282,829	\$ 108,434	\$ 340,853	\$ 50,410
Pledges receivable	3,470	-	3,470	-
	<u>\$ 286,299</u>	<u>\$ 108,434</u>	<u>\$ 344,323</u>	<u>\$ 50,410</u>

Purpose	Balance, January 1, 2018	Contributions	Expenses/ Releases	Balance, December 31, 2018
Micro homes	\$ 334,154	\$ 424,230	\$ 475,555	\$ 282,829
Pledges receivable	3,470	-	-	3,470
Street outreach	35,000	-	35,000	-
	<u>\$ 372,624</u>	<u>\$ 424,230</u>	<u>\$ 510,555</u>	<u>\$ 286,299</u>

Note 8—Commitments

During January 2017, the Organization entered into a lease agreement with Glencliff United Methodist Church to establish a community for homeless persons. When completed, this community will include micro homes to house and administer services to homeless persons (see Note 5 regarding Construction in Progress). The lease is at a rate of \$1 per year. The lease expires in 2022 and shall be automatically renewed for one-year terms at the discretion of the Organization.

Note 9—Gifts in-kind

The Organization recorded donated materials with an estimated value of \$28,237 and \$38,142, respectively, as in-kind revenues for the years ending December 31 2019 and 2018, respectively. The Organization recorded in-kind expenses of \$20,237 and \$38,142 in the statements of activities and functional expenses for the years ended December 31 2019 and 2018, respectively.

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 10—Related party transactions

One member of the Organization's Board of Directors serves as an executive of a donor who contributed \$34,500 and \$32,000 in the years ended December 31, 2019 and 2018, respectively. The same donor has also communicated the intent to give an additional \$32,000 donation in the year ending December 31, 2020.

Note 11—Subsequent Events

Subsequent Events – The Organization evaluated subsequent events through October 22, 2020 when these financial statements were available to be issued.

Subsequent to December 31, 2019 and before the issuance of this report, a separate 501(c)(3) organization is in the process of being created to own and manage the micro home project described in Note 1. Construction in progress, related debt, the Glenclyff United Methodist Church lease agreement, and one employee will be gifted or assigned from the Organization to this new organization.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak could have a material adverse impact on economic and market conditions and trigger a period of global economic shutdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance and its financial results.

In accordance with Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Organization applied for and received a Paycheck Protection Program loan on April 21, 2020, totaling approximately \$59,000. Section 1106 of the CARES Act provides for forgiveness of up to the full principal amount of qualifying loans including accrued interest to the extent the Organization incurs certain qualifying expenses and maintains a certain level of average full-time equivalent employees during the measurement period following closing of the loan. Any portion of the loan that is not forgiven has a term of five years with an interest rate of 1%. Furthermore, as a result of the spread of COVID-19, economic uncertainties continue to arise, which are causing uncertainty about the future contributions and government funding. Other financial impact could occur though such potential impact is unknown at this time.