

**2021**  
**Financial Statements**  
**With**  
**Auditor's Letters**

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

(With Independent Auditor's Report Thereon)

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**CONTENTS**

	<u>PAGE</u>
Independent Auditor's Report .....	1 - 2
Audited Financial Statements:	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7 - 10



## PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Rooftop Foundation  
(d.b.a. Rooftop Nashville)

We have audited the accompanying financial statements of Rooftop Foundation (d.b.a. Rooftop Nashville) (a nonprofit organization), which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rooftop Foundation (d.b.a. Rooftop Nashville) as of December 31, 2021, 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. 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 Rooftop Foundation (d.b.a. Rooftop Nashville) 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.

#### **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 Rooftop Foundation (d.b.a. Rooftop Nashville)'s ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Rooftop Foundation (d.b.a. Rooftop Nashville)'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 Rooftop Foundation (d.b.a. Rooftop Nashville)'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.

*Patterson Handee & Ballentine*

May 10, 2022

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**

ASSETS

Current Assets:		
Cash and cash equivalents	\$ 327,595	
Restricted cash	29,255	
Prepaid expenses	11,817	
Total current assets	<u>                    </u>	\$ 368,667
Property and equipment, net		<u>7,230</u>
Total Assets		<u><u>\$ 375,897</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	<u>\$ 182</u>	
Total current liabilities		\$ 182
Net Assets:		
Without donor restrictions	346,460	
With donor restrictions	29,255	
Total net assets	<u>                    </u>	<u>375,715</u>
Total Liabilities & Net Assets		<u><u>\$ 375,897</u></u>

See accompanying notes to financial statements.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Public Support:			
Contributions	\$ 224,065	\$ -	\$ 224,065
Grants	56,875	337,656	394,531
Miscellaneous income	754	-	754
In-kind contributions	33,960	-	33,960
Net assets released from restrictions	<u>427,410</u>	<u>(427,410)</u>	<u>-</u>
Total public support	<u>743,064</u>	<u>(89,754)</u>	<u>653,310</u>
Expenses:			
Program activities:			
Program services	744,185	-	744,185
Supporting services:			
Management and general	26,472	-	26,472
Fundraising	<u>6,998</u>	<u>-</u>	<u>6,998</u>
Total expenses	<u>777,655</u>	<u>-</u>	<u>777,655</u>
Change in net assets	(34,591)	(89,754)	(124,345)
Net assets - beginning of year	<u>381,051</u>	<u>119,009</u>	<u>500,060</u>
Net assets - end of year	<u>\$ 346,460</u>	<u>\$ 29,255</u>	<u>\$ 375,715</u>

See accompanying notes to financial statements.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program services	Supporting Services		Total
		Management and general	Fundraising	
Advertising	\$ 25	\$ 980	\$ 1,208	\$ 2,213
Assistance	520,787	-	-	520,787
Bank and service charges	4	-	322	326
Depreciation	83	1,461	-	1,544
In-kind expense	33,960	-	-	33,960
Insurance	-	1,717	-	1,717
Meals	-	93	-	93
Postage and mailing	260	48	300	608
Printing and reproduction	187	100	600	887
Professional and consulting fees	100	9,255	-	9,355
Salaries and related benefits	186,469	8,400	2,960	197,829
Office expense	301	300	-	601
Technology	1,709	1,986	1,608	5,303
Telephone and cable	300	2,132	-	2,432
	<u>\$ 744,185</u>	<u>\$ 26,472</u>	<u>\$ 6,998</u>	<u>\$ 777,655</u>

See accompanying notes to financial statements.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash Flows From Operating Activities:		
Change in net assets		\$ (124,345)
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,544	
Changes in:		
Account receivable	183,000	
Prepaid expenses	(10,399)	
Accounts payable	(147)	
Total adjustments	<u>173,998</u>	
Net cash used in operating activities		<u>49,653</u>
Cash Flows From Investing Activities:		
Purchase of property and equipment	(5,000)	
Sale of investments	<u>50,000</u>	
Net cash provided by investing activities		<u>45,000</u>
Net increase in cash, cash equivalents, and restricted cash		94,653
Cash, cash equivalents, and restricted cash - beginning of year		<u>262,197</u>
Cash, cash equivalents, and restricted cash - end of year		<u><u>\$ 356,850</u></u>

See accompanying notes to financial statements.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities and Program Description

The terms "we", "us", "our" or "Organization" are used throughout these notes to the financial statements to identify Rooftop Foundation (d.b.a. Rooftop Nashville), ("Rooftop") a Tennessee nonprofit organization. We were incorporated in 2006 under the Tennessee Nonprofit Corporation Act.

Rooftop's mission is to keep Nashville housed; building stability through a compassionate and collaborative rent/mortgage assistance program. When a resident of Davidson County has experienced a financial hardship and has been unable to pay the full rent/mortgage balance due, they may be facing eviction, foreclosure, or possible homelessness. Rooftop provides short-term financial assistance to get a resident over this hurdle to create housing stability. If an applicant does not meet the criteria for assistance, Rooftop case workers provide a direct referral to a resource that is better able to address the situation.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets 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. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as net assets without donor restrictions.

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 are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, we consider all unrestricted cash and investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2021, there are \$270,939, of cash equivalents.

Prepaid Expenses

Prepaid expenses consist of insurance premiums and professional fees paid by us in advance.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Organization recognizes contributions when cash or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. There were no conditional promises to give as of December 31, 2021.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is calculated using the straight-line basis over the estimated useful lives of the respective assets. Purchases or donations of equipment over \$500 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. As of December 31, 2021, no assets were considered to be impaired.

Donated Goods, Facilities, and Services

Donated services are recorded in the financial statements to the extent that those services create or enhance a nonfinancial asset or meet the following criteria: a) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed. Such services are recognized at fair value as support and expense in the period the services are performed.

The following amounts are reported as in-kind revenue on the statement of activities and in-kind expense on the statement of functional expenses.

Donated rent	\$ <u>33,960</u>
--------------	------------------

Members of the Board of Directors have provided substantial assistance to us by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Income Tax Status

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Advertising

Advertising costs are expensed as they are incurred. For the year ended December 31, 2021, we had advertising expenses of \$2,213, shown on the statement of functional expenses as Advertising.

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 1 - Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of salaries is calculated either by actual hours worked or as a percentage of time worked for specific grants or programs.

Concentrations and Contingencies

At various times throughout 2021, we had cash balances with financial institutions which exceeded the maximum amount insured by the Federal Deposit Insurance Corporation ("FDIC"). We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk in our cash. For the year ended December 31, 2021, all of our accounts were fully insured.

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 and disclosures. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments.

NOTE 2 - Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended

Cash and cash equivalents	\$ 327,595
	<u>\$ 327,595</u>

The Organization has certain donor-restricted assets limited to use which are only available for restricted programs. Accordingly, these assets have been excluded from the qualitative information above.

NOTE 3 - Property and Equipment

Property and equipment consisted of the following as of December 31, 2021:

Furniture and equipment	\$ 10,132
Website	19,352
	<u>29,484</u>
Less accumulated depreciation	(22,254)
Property and equipment, net	<u>\$ 7,230</u>

**ROOFTOP FOUNDATION**  
**(d.b.a. ROOFTOP NASHVILLE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

NOTE 4 - Office Lease

We lease our office under a month-to-month verbal lease agreement. In accordance with generally accepted accounting principles, and using a market value estimate, we recognized in-kind revenue and expense for donated rent of \$33,960 for the year ended December 31, 2021.

NOTE 5 – Net Assets with Restrictions

Restricted net assets consist of the following as of December 31, 2021:

Publix (United Way)	\$ 9,784
Community Foundation of Middle TN	<u>19,471</u>
Total restricted net assets	<u>\$ 29,255</u>

NOTE 6 - New Pronouncements

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2021, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

NOTE 7 - Subsequent Events

We have evaluated events subsequent to the year ended December 31, 2021. As of May 10, 2022, the date that the financial statements were available to be issued, we are not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.