The Contributor, Inc.

FINANCIAL STATEMENTS

December 31, 2015 and 2014

CRI CARR RIGGS & INGRAM
CPAs and Advisors
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The Contributor, Inc.
Table of Contents
December 31, 2015 and 2014

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position as of December 31, 2015 and 2014	3
Statements of Activities for the Years Ended December 31, 2015 and 2014	4
Statements of Functional Expenses for the Years Ended December 31, 2015 and 2014	6
Statements of Cash Flows for the Years Ended December 31, 2015 and 2014	8
Notes to Financial Statements	9

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Contributor, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of The Contributor, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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.

Auditors' 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 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 The Contributor, Inc. as of December 31, 2015 and 2014, 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.

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS & INGRAM, LLC

Nashville, Tennessee
July 26, 2016

The Contributor, Inc.
Statements of Financial Position

December 31,	**2015**	2014
ASSETS		
Cash	**$ 49,242**	$ 174,141
Contributions receivable	**37,193**	43,390
Other assets	**2,383**	2,933
Property and equipment	**32,597**	42,513
TOTAL ASSETS	**$ 121,415**	$ 262,977
LIABILITIES		
Accounts payable and accrued expenses	**$ 20,372**	$ 30,884
TOTAL LIABILITIES	**20,372**	30,884
NET ASSETS		
Unrestricted	**93,543**	208,093
Temporarily restricted	**7,500**	24,000
TOTAL NET ASSETS	**101,043**	232,093
TOTAL LIABILITIES AND NET ASSETS	**$ 121,415**	$ 262,977

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

The Contributor, Inc.
Statements of Activities

For the Year Ended December 31,			2015
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Newspaper revenues	$ 290,691	$ -	$ 290,691
Contributions	207,734	7,500	215,234
Grants	32,550	-	32,550
In-kind support	107,879	-	107,879
Miscellaneous income	2,858	-	2,858
Net assets released from restrictions	24,000	(24,000)	-
TOTAL SUPPORT AND REVENUE	665,712	(16,500)	649,212
EXPENSES			
Program services	458,786	-	458,786
Supporting services			
Management and general	247,537	-	247,537
Fundraising	73,939	-	73,939
TOTAL EXPENSES	780,262	-	780,262
CHANGE IN NET ASSETS	(114,550)	(16,500)	(131,050)
NET ASSETS - BEGINNING OF YEAR	208,093	24,000	232,093
NET ASSETS - END OF YEAR	$ 93,543	$ 7,500	$ 101,043

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

The Contributor, Inc.
Statements of Activities

For the Year Ended December 31,			2014
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Newspaper revenues	$ 312,432	$ -	$ 312,432
Contributions	192,667	24,000	216,667
Grants	77,000	-	77,000
In-kind support	169,229	-	169,229
Miscellaneous income	3,190	-	3,190
Net assets released from restrictions	23,184	(23,184)	-
TOTAL SUPPORT AND REVENUE	777,702	816	778,518
EXPENSES			
Program services	484,046	-	484,046
Supporting services			
Management and general	268,296	-	268,296
Fundraising	141,408	-	141,408
TOTAL EXPENSES	893,750	-	893,750
CHANGE IN NET ASSETS	(116,048)	816	(115,232)
NET ASSETS - BEGINNING OF YEAR	324,141	23,184	347,325
NET ASSETS - END OF YEAR	$ 208,093	$ 24,000	$ 232,093

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

The Contributor, Inc.

Statements of Functional Expenses

For the Year Ended December 31, **2015**

	Program	Supporting Services		
	Newspaper Publishing	Management and General	Fundraising	Total
Advertising and promotions	$ 13,250	$ 946	$ 23,090	$ 37,286
Automobile expenses	1,442	747	152	2,341
Commissions	1,056	-	-	1,056
Contracted services	8,911	38,031	-	46,942
Contributions	-	-	-	-
Depreciation	-	23,563	-	23,563
Dues and subscriptions	-	1,566	-	1,566
Employee benefits	21,386	11,076	2,258	34,720
Freelance costs	61,764	-	-	61,764
Insurance	-	4,214	-	4,214
IT and communications	-	3,580	-	3,580
Miscellaneous expenses	3,457	704	-	4,161
Office expenses	-	16,303	19,855	36,158
Payroll taxes	16,300	8,441	1,720	26,461
Printing costs	48,324	-	321	48,645
Printing - resource guide	11,387	-	-	11,387
Rent	59,500	12,747	-	72,247
Salaries and wages	201,619	104,410	21,274	327,303
Special events	-	-	4,716	4,716
Supplies	5,153	-	-	5,153
Technology	5,237	-	553	5,790
Travel	-	21,209	-	21,209
	$ 458,786	$ 247,537	$ 73,939	$ 780,262

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

The Contributor, Inc.
Statements of Functional Expenses

For the Year Ended December 31, 2014

	Program	Supporting Services		
	Newspaper Publishing	Management and General	Fundraising	Total
Advertising and promotions	$ 28,950	$ 32,355	$ 56,277	$ 117,582
Automobile expenses	547	459	208	1,214
Commissions	234	5,246	-	5,480
Contracted services	10,195	29,392	-	39,587
Contributions	-	500	-	500
Depreciation	-	20,986	-	20,986
Dues and subscriptions	-	1,687	-	1,687
Employee benefits	15,926	8,654	4,724	29,304
Freelance costs	48,610	-	-	48,610
Insurance	-	4,150	-	4,150
IT and communications	-	7,924	-	7,924
Miscellaneous expenses	1,986	368	-	2,354
Office expenses	-	18,459	11,065	29,524
Payroll taxes	14,471	8,518	4,656	27,645
Printing costs	75,003	-	2,512	77,515
Printing - resource guide	11,358	-	-	11,358
Rent	59,700	15,698	-	75,398
Salaries and wages	191,704	104,376	56,110	352,190
Special events	-	-	4,613	4,613
Supplies	20,481	-	-	20,481
Technology	4,881	-	1,243	6,124
Travel	-	9,524	-	9,524
	$ 484,046	$ 268,296	$ 141,408	$ 893,750

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

The Contributor, Inc.
Statements of Cash Flows

For the Years Ended December 31,	**2015**	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ (131,050)**	$ (115,232)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	**23,563**	20,986
Changes in assets and liabilities:		
Contributions receivable	**6,197**	7,473
Other assets	**550**	(2,933)
Accounts payable and accrued expenses	**(13,012)**	18,228
NET CASH USED BY OPERATING ACTIVITIES	**(113,752)**	(71,478)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(11,147)**	(26,936)
NET CASH USED BY INVESTING ACTIVITIES	**(11,147)**	(26,936)
NET DECREASE IN CASH	**(124,899)**	(98,414)
CASH - BEGINNING OF YEAR	**174,141**	272,555
CASH - END OF YEAR	**$ 49,242**	$ 174,141

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

NOTE 1: NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Contributor, Inc. (the Organization) is a Tennessee nonprofit corporation located in Nashville, Tennessee. The Organization publishes a newspaper in Nashville, Tennessee and surrounding areas that accomplishes the following: provides a diversity of perspectives and information on the condition of homelessness while highlighting the contributions of homeless and formerly homeless individuals, provides homeless and formerly homeless newspaper vendors with a source of income, and creates community between vendors and customers. Newspapers are sold exclusively by homeless and formerly homeless individuals. The Organization is supported primarily by newspaper sales and contributions.

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.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2015 and 2014, the Organization did not have any permanently restricted net assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Contributions receivable are recorded at the time a promise is made. The Organization uses the allowance method to determine the amount of pledges that are uncollectible based on previous experience and management's analysis of amounts receivable. Management believes that no allowance was necessary at December 31, 2015 and 2014.

Property and Equipment

The Organization capitalizes all expenditures in excess of $500 for property and equipment. Property and equipment acquisitions are carried at cost if purchased or fair value if donated. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

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)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization's information returns for years ended after December 31, 2012 are subject to examination by the Internal Revenue Service.

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. Accordingly, actual results could differ from those estimates.

Functional Expenses

Expenses are charged directly to program, management and general, or fundraising based on allocation by management among the programs and supporting services benefited.

Advertising and Promotions

The Organization expenses advertising costs as incurred.

In-Kind Support

In-kind support is reflected as contribution revenue at fair value at the date of donation and is reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Evaluation of Events Occurring After the Financial Statement Date

Management has evaluated subsequent events through July 26, 2016, the date the financial statements were available to be issued.

NOTE 3: RESTATEMENT OF FINANCIAL STATEMENTS

During the year ended December 31, 2015, the Organization identified two errors relating to the year ended December 31, 2014. Depreciation expense for 2014 was understated by $12,181 and certain contributions processed by a third party, totaling $17,236, were determined to be unrestricted rather than restricted.

The effect of the restatement on the change in net assets and financial position as of December 31, 2014 is as follows:

	As previously reported		As Restated	
	Unrestricted	Temporarily restricted	Unrestricted	Temporarily restricted
SUPPORT				
Contributions	$ 175,431	$ 41,236	$ 192,667	$ 24,000
EXPENSES				
Program	484,046	-	484,046	-
Supporting Services				
Management and general	256,115	-	268,296	-
Fundraising	141,408	-	141,408	-
Change in Net Assets	$ (121,103)	$ 18,052	$ (116,048)	$ 816
Property and equipment, net	$ 54,694		$ 42,513	
Net Assets				
Unrestricted	$ 203,038		$ 208,093	
Temporarily Restricted	41,236		24,000	
	$ 244,274		$ 232,093	

NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following:

December 31,		**2015**		2014
Receivable in less than one year	$	**37,193**	$	43,390
Receivable in one to five years		**-**		-
	$	**37,193**	$	43,390

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

December 31,		**2015**		2014
Computer software and database	$	**66,405**	$	55,880
Furniture and equipment		**21,350**		18,228
		87,755		74,108
Accumulated depreciation		**(55,158)**		(31,595)
	$	**32,597**	$	42,513

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include the following:

December 31,		**2015**		2014
Time restrictions:				
Contributions receivable for operations	$	**7,500**	$	24,000

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS *(CONTINUED)*

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by occurrence of other events specified by donor, and consist of the following:

For the Years Ended December 31,		**2015**		2014
Time restrictions expired:				
Passage of specified time	$	**24,000**	$	23,184
	$	**24,000**	$	23,184

NOTE 7: CONCENTRATIONS

Substantially all newspaper printing costs were purchased from one supplier during 2015 and 2014.

One donor comprised approximately 25% of all donations made to the Organization during the year ended December 31, 2015. Two donors comprised approximately 23% of all donations made to the Organization during the year ended December 31, 2014.

NOTE 8: LEASES

The Organization uses donated office space located in Nashville, Tennessee under a month-to-month agreement for the year ended December 31, 2015 (see note 9).

The Organization also leased additional office space under a noncancelable operating lease for the year ended December 31, 2015. As of December 31, 2015, this lease is on a month-to-month agreement.

Total rent expense for all operating leases was $72,247 and $75,398 for the years ended December 31, 2015 and 2014, respectively.

NOTE 9: IN-KIND SUPPORT

Donated property, equipment and services are used in the operations of the Organization. The value of donated property, equipment and services included in the financial statements as follows:

For the Year Ended December 31,	**2015**	2014
Rent	**$ 59,500**	$ 59,700
Advertising and promotions	**37,231**	109,529
Donated securities	**11,148**	-
	$ 107,879	$ 169,229

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs and fundraising campaigns but which do not meet the criteria for financial statement recognition. The fair value of these services is not reflected in the accompanying financial statements, in as much as there is no objective basis on which to measure the value of such services.

NOTE 10: GOING CONCERN MATTERS

For the years ending December 31, 2015 and 2014, the Organization experienced decreases in net assets of $131,050 and $115,232, respectively. Those factors along with consecutive years of negative cash flows and a decline in circulation, due to increased competition, create an uncertainty about the Organization's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue.

Management and the Board of Directors have approved a new plan to mitigate its exposure to going concern uncertainties. The Organization has hired to new Fundraising and Grant Manager to identify and lead new fundraising opportunities and grants. Further, the Organization has expanded its paper sales to new markets in Middle Tennessee. Also, the Organization plans to reduce expenditures by using a part-time editor and use more vendor created content, and increase restrictions over incentive newspapers given to vendors in order to control printing costs. Those actions have already begun to impact the Organization's financial condition. Through May 31, 2016, the Organization's support and revenue have exceeded expenses.