



# **OPEN TABLE OF NASHVILLE, INC.**

## **FINANCIAL STATEMENTS**

***As of and for the Years Ended December 31, 2017  
and 2016***

***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 statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Table of Nashville, Inc. as of December 31, 2017, 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.

### Prior Year Financial Statements

The financial statements as of December 31, 2016, were audited by other auditors whose report dated August 15, 2017 expressed an unmodified opinion on those statements.



Nashville, Tennessee  
October 3, 2018

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

*DECEMBER 31, 2017 AND 2016*

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 382,558	\$ 279,256
Pledges receivable	3,470	44,185
Accounts receivable	3,000	6,159
Prepaid expenses	5,833	16,426
Total Current Assets	394,861	346,026
Construction in progress	18,933	-
Property and equipment, net	991	830
<b>Total Assets</b>	<b>\$ 414,785</b>	<b>\$ 346,856</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 8,142	\$ 11,247
Deferred revenue	-	11,500
Total Current Liabilities	8,142	22,747
Net Assets:		
Unrestricted	34,019	4,219
Temporarily restricted	372,624	319,890
<b>Total Net Assets</b>	<b>406,643</b>	<b>324,109</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 414,785</b>	<b>\$ 346,856</b>

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED DECEMBER 31, 2017*

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Revenue and Other Support:			
Contributions	\$ 350,980	\$ 334,053	\$ 685,033
In-kind	44,326	-	44,326
Annual event sponsor and ticket revenues	92,195	-	92,195
Net assets released from restrictions	281,319	(281,319)	-
Total Revenue and Other Support	768,820	52,734	821,554
Expenses:			
Program services	529,566	-	529,566
Management and general	150,211	-	150,211
Fundraising	59,243	-	59,243
Total Expenses	739,020	-	739,020
Change in net assets	29,800	52,734	82,534
Net assets, beginning of year	4,219	319,890	324,109
Net assets, end of year	\$ 34,019	\$ 372,624	\$ 406,643

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

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES (CONTINUED)**

*YEAR ENDED DECEMBER 31, 2016*

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

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

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2017

	Program Services					Supporting Services				Total
	Street Outreach	Micro Homes	Education	Public Policy and Advocacy	Volunteer Community Relations	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries and related expenses	\$ 132,801	\$ 70,084	\$ 30,155	\$ -	\$ 36,677	\$ 269,717	\$ 58,844	\$ 24,960	\$ 83,804	\$ 353,521
In-kind	35,072	9,254	-	-	-	44,326	-	-	-	44,326
Professional fees	-	15,864	-	-	-	15,864	27,964	-	27,964	43,828
Chaplaincy	35,364	-	920	-	-	36,284	-	-	-	36,284
Street outreach	35,396	-	-	-	-	35,396	336	-	336	35,732
Contract labor	9,030	24,989	-	-	-	34,019	-	-	-	34,019
Payroll taxes	10,513	3,776	-	-	2,833	17,122	8,696	446	9,142	26,264
Utilities	16,723	-	-	-	-	16,723	6,022	-	6,022	22,745
Event expense	-	5,470	-	-	-	5,470	-	13,911	13,911	19,381
Advocacy	-	-	-	16,580	-	16,580	-	-	-	16,580
Meals and entertainment	27	361	282	42	363	1,075	746	10,639	11,385	12,460
Advertising and marketing	3,084	7,075	5	375	-	10,539	-	517	517	11,056
Insurance	-	-	-	-	-	-	10,569	-	10,569	10,569
Printing and technology	155	2,014	258	-	484	2,911	2,770	4,794	7,564	10,475
Rent expense	3,995	-	-	-	-	3,995	6,000	-	6,000	9,995
Supplies	439	1,000	64	-	198	1,701	3,235	3,370	6,605	8,306
Telephone	30	-	-	-	-	30	8,157	-	8,157	8,187
Miscellaneous	4,033	150	545	-	-	4,728	1,218	-	1,218	5,946
AmeriCorps	5,682	-	-	-	-	5,682	-	-	-	5,682
Fees and penalties	637	-	-	-	-	637	4,297	2	4,299	4,936
Resource shelter	4,730	-	-	-	-	4,730	40	-	40	4,770
Online service	-	-	-	-	-	-	4,709	-	4,709	4,709
Staff development	119	-	-	-	45	164	1,969	-	1,969	2,133
Postage and delivery	-	-	-	-	169	169	1,095	604	1,699	1,868
Dues and subscriptions	17	-	-	-	10	27	1,164	-	1,164	1,191
Donations and gifts	-	-	-	-	25	25	1,025	-	1,025	1,050
Travel	12	-	-	17	60	89	759	-	759	848
Depreciation	838	-	-	-	-	838	-	-	-	838
Auto expense	94	25	-	-	11	130	596	-	596	726
Education	-	-	327	-	-	327	-	-	-	327
Facilities and equipment	200	-	-	-	-	200	-	-	-	200
Financial aid	68	-	-	-	-	68	-	-	-	68
	<u>\$ 299,059</u>	<u>\$ 140,062</u>	<u>\$ 32,556</u>	<u>\$ 17,014</u>	<u>\$ 40,875</u>	<u>\$ 529,566</u>	<u>\$ 150,211</u>	<u>\$ 59,243</u>	<u>\$ 209,454</u>	<u>\$ 739,020</u>

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

**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**

YEAR ENDED DECEMBER 31, 2016

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

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



**OPEN TABLE OF NASHVILLE, INC.**  
**STATEMENTS OF CASH FLOWS**

*YEARS ENDED DECEMBER 31, 2017 AND 2016*

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 82,534	\$ 233,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	838	1,460
Changes in operating assets and liabilities:		
Pledges receivable	40,715	(29,185)
Accounts receivable	3,159	(6,159)
Prepaid expenses	10,593	(16,426)
Accounts payable and accrued liabilities	(3,105)	2,463
Deferred revenue	(11,500)	11,500
Net cash provided by operating activities	<u>123,234</u>	<u>196,926</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment and construction in progress	<u>(19,932)</u>	<u>-</u>
Net cash used in investing activities	<u>(19,932)</u>	<u>-</u>
Net increase in cash and cash equivalents	103,302	196,926
Cash and cash equivalents, beginning of year	<u>279,256</u>	<u>82,330</u>
Cash and cash equivalents, end of year	<u><u>\$ 382,558</u></u>	<u><u>\$ 279,256</u></u>

# OPEN TABLE OF NASHVILLE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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### 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 as prescribed for not-for-profit organizations. Under these guidelines revenues are recorded when earned rather than when received and expenses are recorded when incurred rather than when paid. Net assets of the Organization, and changes therein, are classified and reported as follows:

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

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

*Permanently Restricted Net Assets* – Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no permanently restricted net assets at December 31, 2017 and 2016.

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

# OPEN TABLE OF NASHVILLE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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### **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 temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible pledges receivable. Management believes that pledges receivable are fully collectible at December 31, 2017 and 2016. As a result, no allowance for uncollectible accounts has been provided. All pledges receivable are due within one year.

*Accounts Receivable* – Accounts receivable are reviewed periodically as to their collectability. Uncollectible accounts are written off in the period in which they are determined to be uncollectible. Management believes that accounts receivable are fully collectible at December 31, 2017 and 2016. As a result, no allowance for accounts receivable has been provided. All accounts receivable are due within one year.

*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.

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

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

The expiration of 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 unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

*Advertising Costs* – Advertising costs are expensed as incurred. Advertising expense totaled \$11,056 and \$1,137 for the years ended December 31, 2017 and 2016, 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 8).

During the years ended December 31, 2017 and 2016, the Organization received approximately 5,300 and 8,200 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 accounting principles generally accepted in the United States of America.

# OPEN TABLE OF NASHVILLE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

### Note 2—Summary of significant accounting policies (continued)

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

The Organization follows Financial Accounting Standards Board Accounting Standards Codification guidance related to uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements.

*Subsequent Events* – The Organization evaluated subsequent events through October 3, 2018, when these financial statements were available to be issued.

### Note 3—Concentrations

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

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

### Note 4—Property and equipment

Property and equipment consists of the following at December 31, 2017 and 2016:

	2017	2016
Vehicles	\$ 8,800	\$ 8,800
Furniture and equipment	2,590	1,591
	11,390	10,391
Less accumulated depreciation	(10,399)	(9,561)
	<u>\$ 991</u>	<u>\$ 830</u>

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2017 AND 2016

**Note 4—Property and equipment (continued)**

Construction in progress at December 31, 2017 of \$18,933 consists of architect and professional fees incurred related to the construction of the micro home village.

**Note 5—Temporarily restricted net assets**

The Organization receives contributions restricted for specific purposes or restrictions that expire by the passage of time. Following is a summary of the temporary restricted activity for the years ended December 31, 2017 and 2016:

<b>Purpose</b>	<b>Balance, January 1, 2017</b>	<b>Contributions</b>	<b>Expenses/ Releases</b>	<b>Balance, December 31, 2017</b>
Micro homes	\$ 243,205	\$ 219,585	\$ 128,636	\$ 334,154
Pledges receivable	44,185	-	40,715	3,470
Street outreach	32,500	35,000	32,500	35,000
Salary support	-	79,468	79,468	-
	<u>\$ 319,890</u>	<u>\$ 334,053</u>	<u>\$ 281,319</u>	<u>\$ 372,624</u>

  

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

**Note 6—Commitments**

During January 2017, the Organization entered into a lease agreement with Glenclyff 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. The lease is at a rate of one dollar per year. The lease expires in 2022 and shall be automatically renewed for one year terms at the discretion of the Organization.

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

**OPEN TABLE OF NASHVILLE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*DECEMBER 31, 2017 AND 2016*

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**Note 7—Subsequent events**

Subsequent to December 31, 2017 but prior to the issuance of this report, the Organization borrowed \$25,000 each from two individuals. The loans are non-interest bearing and are due on or before June 11, 2021 and May 24, 2024, respectively.

**Note 8—Gifts in-kind**

During 2017 and 2016, the Organization recorded donated materials with an estimated value of \$44,326 and \$89,779, respectively, as in-kind revenues and expenses in the statements of activities and functional expenses.