

OPEN TABLE OF NASHVILLE, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2021 and 2020

And Report of Independent Auditor

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Report of Independent Auditor

To the Board of Directors
Open Table of Nashville, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Open Table Nashville, Inc. (a nonprofit organization)(the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 Open Table Nashville, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization'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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Cherry Bekaert LLP

Nashville, Tennessee
September 23, 2022

OPEN TABLE OF NASHVILLE, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 444,081	\$ 409,138
Total Current Assets	444,081	409,138
Construction in progress	-	956,069
Property and equipment, net	141	1,751
Total Assets	\$ 444,222	\$ 1,366,958
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 12,493	\$ 20,278
Note payable	-	50,000
Total Current Liabilities	12,493	70,278
Net Assets:		
Without donor restrictions	431,729	1,143,546
With donor restrictions	-	153,134
Total Net Assets	431,729	1,296,680
Total Liabilities and Net Assets	\$ 444,222	\$ 1,366,958

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 708,529	\$ 304,422	\$ 1,012,951
In-kind	28,798	-	28,798
Annual event sponsor and ticket revenues	44,642	-	44,642
Federal grant Paycheck Protection Program	77,810	-	77,810
Net assets released from restrictions	457,556	(457,556)	-
Total Revenue and Other Support	1,317,335	(153,134)	1,164,201
Expenses:			
Program services	1,728,790	-	1,728,790
Management and general	218,336	-	218,336
Fundraising	82,026	-	82,026
Total Expenses	2,029,152	-	2,029,152
Change in net assets	(711,817)	(153,134)	(864,951)
Net assets, beginning of year	1,143,546	153,134	1,296,680
Net assets, end of year	\$ 431,729	\$ -	\$ 431,729

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 644,372	\$ 255,977	\$ 900,349
In-kind	21,374	-	21,374
Federal grant Paycheck Protection Program	59,420	-	59,420
Net assets released from restrictions	153,253	(153,253)	-
Total Revenue and Other Support	878,419	102,724	981,143
Expenses:			
Program services	276,171	-	276,171
Management and general	190,498	-	190,498
Fundraising	98,378	-	98,378
Total Expenses	565,047	-	565,047
Change in net assets	313,372	102,724	416,096
Net assets, beginning of year	830,174	50,410	880,584
Net assets, end of year	\$ 1,143,546	\$ 153,134	\$ 1,296,680

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

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services				Supporting Services			
	Street Outreach	Volunteer Community Relations	Micro Homes	Education	Program Services	Management and General	Fundraising	Supporting Services
	\$	\$	\$	\$	\$	\$	\$	\$
Donations and gifts	-	20	1,353,872	-	1,353,882	-	26	26
Salaries and related expenses	266,311	-	-	25,864	292,175	92,947	65,524	158,471
Street outreach	39,369	-	-	45	39,414	228	246	474
Payroll taxes	19,428	-	-	1,867	21,295	6,735	4,720	11,455
Professional fees	-	-	-	-	-	30,305	-	30,305
In-kind	-	-	-	-	-	28,798	-	28,798
Rent expense	-	-	-	-	-	15,113	-	15,113
Printing and technology	10,555	-	-	-	10,555	1,937	1,658	3,595
Fees and penalties	-	-	-	-	-	11,563	-	11,563
Insurance	-	-	-	-	-	11,623	-	11,623
Telephone	-	-	-	-	-	6,163	-	6,163
Dues and subscriptions	-	-	-	-	-	5,366	1,073	6,439
Event expense	-	-	-	-	-	1,057	4,787	5,844
Online Service	-	-	-	-	-	4,087	1,020	5,107
Financial aid	2,971	-	-	-	2,971	-	-	2,971
Contract labor	3,090	-	-	-	3,090	(232)	-	(232)
Furniture Delivery	1,923	26	-	-	1,949	-	-	1,949
Education	-	-	-	1,496	1,496	-	200	1,696
Depreciation	1,610	-	-	-	1,610	-	-	1,610
Postage and delivery	64	-	-	-	64	975	273	1,248
Supplies	-	-	-	50	50	(660)	1,779	1,119
Legal	-	-	-	-	-	717	-	717
Staff development	-	-	-	-	-	418	223	641
Discretionary Funds	-	-	-	-	-	639	-	639
Advertising and marketing	-	-	-	-	-	-	380	380
Travel	-	-	-	10	10	235	17	252
Meals and entertainment	-	-	-	-	-	136	100	236
Auto expense	-	-	-	-	-	186	-	186
Chaplaincy	-	-	-	164	164	-	-	-
Resource shelter	43	-	-	-	43	-	-	-
Miscellaneous	-	12	-	-	12	-	-	-
	\$ 345,364	\$ 58	\$ 1,353,872	\$ 29,496	\$ 1,728,790	\$ 218,336	\$ 82,026	\$ 300,362
	\$							\$ 2,029,152

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

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services			
	Street Outreach	Volunteer Community Relations	Micro Homes	Education	Program Services	Management and General	Fundraising	Total
Salaries and related expenses	\$ 154,907	\$ 2,829	\$ 525	\$ 32,087	\$ 190,348	\$ 72,706	\$ 85,976	\$ 158,682
Street outreach	41,095	-	-	-	41,095	154	-	154
Professional fees	-	-	-	-	-	28,578	-	28,578
Payroll taxes	11,712	5	-	2,131	13,848	4,995	5,626	10,621
In-kind	-	-	-	-	-	21,374	-	21,374
Financial aid	15,921	-	-	-	15,921	3,430	-	3,430
Printing and technology	10,202	-	-	-	10,202	2,700	1,424	4,124
Rent expense	-	-	-	-	-	10,174	-	10,174
Fees and penalties	-	-	-	-	-	9,515	-	9,515
Insurance	-	-	-	-	-	6,997	-	6,997
Telephone	-	-	-	-	-	6,727	-	6,727
Contract labor	209	-	-	75	284	5,321	-	5,321
Dues and subscriptions	-	-	-	-	-	5,388	101	5,489
Supplies	24	20	-	-	44	3,192	1,948	5,140
Miscellaneous	388	69	-	-	457	3,466	87	3,553
Utilities	-	-	-	-	-	2,899	-	2,899
Depreciation	2,719	-	-	-	2,719	-	-	-
Advertising and marketing	-	-	-	-	-	-	2,144	2,144
Donations and gifts	-	-	-	-	-	1,449	45	1,494
Resource shelter	894	-	-	-	894	120	-	120
Postage and delivery	30	-	-	-	30	407	494	901
Staff development	-	-	-	-	-	103	316	419
Meals and entertainment	77	-	-	-	77	289	-	289
Legal	-	-	-	-	-	240	-	240
Event expense	-	-	-	-	-	-	217	217
Auto expense	-	-	-	-	-	201	-	201
Furniture Delivery	183	-	-	-	183	-	-	-
Travel	-	-	-	12	12	73	-	73
Education	-	-	-	30	30	-	-	-
Chaplaincy	-	-	-	27	27	-	-	-
\$ 238,361	\$ 2,923	\$ 525	\$ 34,362	\$ 276,171	\$ 190,498	\$ 98,378	\$ 288,876	\$ 565,047

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, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (864,951)	\$ 416,096
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,610	2,719
Noncash contribution to the Villages at Glencliff	973,840	-
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	(7,785)	(19,890)
Net cash flows from operating activities	<u>102,714</u>	<u>398,925</u>
Cash flows from investing activities:		
Purchases of property and equipment and construction in progress	(67,771)	(152,728)
Net cash flows from investing activities	<u>(67,771)</u>	<u>(152,728)</u>
Net change in cash and cash equivalents	34,943	246,197
Cash and cash equivalents, beginning of year	<u>409,138</u>	<u>162,941</u>
Cash and cash equivalents, end of year	<u><u>\$ 444,081</u></u>	<u><u>\$ 409,138</u></u>
Noncash flows from investing and financing activities:		
Contribution of construction in progress	\$ 1,023,840	\$ -
Assignment of Debt to the Villages at Glencliff	(50,000)	-
	<u><u>\$ 973,840</u></u>	<u><u>\$ -</u></u>

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

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 1—Nature of the Organization

Open Table of Nashville, Inc. (the “Organization”) was chartered during 2010 as a not-for-profit organization in the state of Tennessee. The Organization is an interfaith homeless outreach organization that disrupts cycles of poverty, journeys with the marginalized, and provides education about issues of homelessness. The Organization’s major sources of funding are contributions and grants from donors.

Program Services:

Street Outreach – The Organization is committed to relational outreach which involves journeying with un-housed and precariously housed individuals and families, being a consistent presence in the homeless community, advocating with the marginalized, and creatively networking available resources.

Volunteer Community Relations – The Organization’s employees and volunteers serve in the homeless community to disrupt cycles of poverty, to build a culture focusing on restoration, and to increase the availability of housing and healthcare.

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

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

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

Note 2—Summary of significant accounting policies

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“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, 2021 and 2020.

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, 2021 AND 2020

Note 2—Summary of significant accounting policies (continued)

Construction in Progress – Construction in progress represents costs incurred to date to construct micro homes to house and administer services to homeless persons. These assets were contributed to a new organization created in 2021 to operate and manage the Micro Home program (See Note 6).

Property and Equipment – Property and equipment is stated at acquisition cost, or estimated fair value if donated, less accumulated depreciation, which is computed using the straight-line method over an estimated useful life of three to 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 \$380 and \$2,144 for the years ended December 31, 2021 and 2020, 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 10).

During the years ended December 31, 2021 and 2020, the Organization received approximately 410 and 520 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.

Subsequent Events – The Organization evaluated subsequent events through September 23, 2022, when these financial statements were available to be issued and has determined that there are no subsequent events that require disclosure.

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

DECEMBER 31, 2021 AND 2020

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 limiting their use, within one year of the statements of financial position, comprise the following at December 31:

Financial assets at year-end:	2021	2020
Cash and cash equivalents, at year-end	\$ 444,081	\$ 409,138
Less amounts unavailable for general expenditures due to restrictions for specific programs	-	(153,134)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 444,081</u>	<u>\$ 256,004</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, 2021, the Organization held funds that exceeded the federally insured limits by approximately \$156,000. In management's opinion, risk related to each deposit is minimal based on the credit rating of its primary depository.

Note 5—Property and equipment

Property and equipment consists of the following at December 31:

	2021	2020
Furniture and equipment	\$ 14,063	\$ 14,063
Less accumulated depreciation	(13,922)	(12,312)
	<u>\$ 141</u>	<u>\$ 1,751</u>

At December 31, 2021 and 2020, construction in progress of \$0- and \$956,069, respectively, consists of architect and professional fees and other construction costs incurred related to the construction of the micro home village. During 2021, all construction in progress was transferred to a new entity created to operate and manage the Micro Home program (see Note 6).

Note 6—Donation to micro home village

During 2021, a new separate, unrelated 501(c)(3) organization was formed to operate and manage the Micro Home program described in Note 1. Construction in progress, (see Note 5) related debt (see Note 7), and the Glenciff United Methodist Church lease agreement were gifted or assigned from the Organization to this new organization called the Village at Glenciff. Additionally, contributions received and restricted for the purpose of building this village and certain purchased supplies and services were also contributed to the new organization. This contribution totaled \$1,353,918 and is presented as donation and gifts expense on the statement of functional expenses for the year ended December 31, 2021.

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

DECEMBER 31, 2021 AND 2020

Note 7—Notes payable

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

On June 11, 2018, the Organization signed a \$25,000 promissory note that is non-interest bearing and matures on June 11, 2021. On August 12, 2021, the lender agreed to assign the debt to the Village at Glenciff. Terms remained unchanged except the note maturity date was extended to May 24, 2024.

Note 8—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, 2021 and 2020:

Purpose	Balance, January 1, 2021	Contributions	Expenses/ Releases	Balance, December 31, 2021
Micro homes	\$ 153,134	\$ 304,422	\$ 457,556	\$ -
	<u>\$ 153,134</u>	<u>\$ 304,422</u>	<u>\$ 457,556</u>	<u>\$ -</u>

Purpose	Balance, January 1, 2020	Contributions	Expenses/ Releases	Balance, December 31, 2020
Micro homes	\$ 50,410	\$ 255,977	\$ 153,253	\$ 153,134
	<u>\$ 50,410</u>	<u>\$ 255,977</u>	<u>\$ 153,253</u>	<u>\$ 153,134</u>

Note 9—Federal grant Paycheck Protection Program revenue

During 2021, the Organization received a Paycheck Protection Program (“PPP”) loan in the amount of \$77,810. The PPP loan was granted by the Small Business Administration (“SBA”) under the Coronavirus Aid Relief, and Economic Security Act (the “CARES Act”). PPP loans are considered conditional contributions under ASC 958-605, *Not-for Profit Entities – Revenue Recognition*. The loan must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Organization has recognized grant revenue for the full amount of \$77,810 for the year ended December 31, 2021, because the conditions for forgiveness had been substantially met at December 31, 2021. Subsequent to December 31, 2021 and before issuance of this report, the Organization received SBA notification of the loan’s forgiveness.

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

DECEMBER 31, 2021 AND 2020

Note 10—Gifts in-kind

The Organization recorded donated materials with an estimated value of \$28,798 and \$21,374 as in-kind revenue and expense in the statements of activities and functional expenses for the years ended December 31, 2021 and 2020, respectively.

Note 11—Related party transactions

One member of the Organization's Board of Directors serves as an executive of a donor who contributed \$12,500 and \$42,000 in the years ended December 31, 2021 and 2020, respectively.