The Contributor, Inc.

FINANCIAL STATEMENTS

December 31, 2016 and 2015

CRI CARR RIGGS & INGRAM
CPAs and Advisors
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The Contributor, Inc.
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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, 2016 and 2015, 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, 2016 and 2015, 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
September 12, 2017

The Contributor, Inc.
Statements of Financial Position

December 31,	**2016**	2015
ASSETS		
Cash	**$ 80,139**	$ 49,242
Contributions receivable	**31,251**	37,193
Other assets	**1,833**	2,383
Property and equipment	**19,833**	32,597
TOTAL ASSETS	**$ 133,056**	$ 121,415
LIABILITIES		
Accounts payable and accrued expenses	**$ 23,621**	$ 20,372
TOTAL LIABILITIES	**23,621**	20,372
NET ASSETS		
Unrestricted	**85,135**	93,543
Temporarily restricted	**24,300**	7,500
TOTAL NET ASSETS	**109,435**	101,043
TOTAL LIABILITIES AND NET ASSETS	**$ 133,056**	$ 121,415

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

The Contributor, Inc.
Statement of Activities

For the Year Ended December 31, **2016**

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Newspaper revenues	$ 244,752	$ -	$ 244,752
Contributions	277,362	38,606	315,968
Grants	38,200	-	38,200
In-kind support	59,500	-	59,500
Miscellaneous income	1,381	-	1,381
Net assets released from restrictions	21,806	(21,806)	-
TOTAL SUPPORT AND REVENUE	643,001	16,800	659,801
EXPENSES			
Program services	366,892	-	366,892
Supporting services			
Management and general	207,887	-	207,887
Fundraising	76,630	-	76,630
TOTAL EXPENSES	651,409	-	651,409
CHANGE IN NET ASSETS	(8,408)	16,800	8,392
NET ASSETS - BEGINNING OF YEAR	93,543	7,500	101,043
NET ASSETS - END OF YEAR	$ 85,135	$ 24,300	$ 109,435

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

The Contributor, Inc.
Statement 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.
Statement of Functional Expenses

For the Year Ended December 31, **2016**

	Program	Supporting Services		
	Newspaper Publishing	Management and General	Fundraising	Total
Advertising and promotions	$ -	$ -	$ 3,544	$ 3,544
Automobile expenses	1,096	-	-	1,096
Commissions	-	-	-	-
Contracted services	1,994	24,392	-	26,386
Depreciation	-	19,125	-	19,125
Dues and subscriptions	-	1,679	-	1,679
Employee benefits	28,092	8,012	1,358	37,462
Freelance costs	53,594	-	-	53,594
Insurance	-	3,693	-	3,693
IT and communications	-	10,497	-	10,497
Miscellaneous expenses	820	549	-	1,369
Office expenses	(41)	8,625	15,569	24,153
Payroll taxes	11,431	7,133	3,203	21,767
Printing costs	37,587	-	-	37,587
Printing - resource guide	3,352	-	-	3,352
Rent	59,500	9,376	-	68,876
Salaries and wages	155,355	97,801	42,640	295,796
Special events	-	-	10,316	10,316
Supplies	6,919	-	-	6,919
Technology	7,193	-	-	7,193
Travel	-	17,005	-	17,005
	$ 366,892	$ 207,887	$ 76,630	$ 651,409

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

The Contributor, Inc.
Statement 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
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	-	9,280	-	9,280
Miscellaneous expenses	3,457	704	-	4,161
Office expenses	-	10,603	19,855	30,458
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 Cash Flows

For the Years Ended December 31,	**2016**	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 8,392**	$ (131,050)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	**19,125**	23,563
Changes in assets and liabilities:		
Contributions receivable	**5,942**	6,197
Other assets	**550**	550
Accounts payable and accrued expenses	**3,249**	(13,012)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**37,258**	(113,752)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(6,361)**	(11,147)
NET CASH USED BY INVESTING ACTIVITIES	**(6,361)**	(11,147)
NET CASH INCREASE (DECREASE) IN CASH	**30,897**	(124,899)
CASH - BEGINNING OF YEAR	**49,242**	174,141
CASH - END OF YEAR	**$ 80,139**	$ 49,242

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, 2016 and 2015, 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, 2016 and 2015.

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, 2013 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 2015 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 September 12, 2017, the date the financial statements were available to be issued. See Note 9.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following:

December 31,		**2016**		2015
Receivable in less than one year	**$**	**31,251**	$	37,193
	$	**31,251**	$	37,193

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

December 31,		**2016**		2015
Computer software and database	**$**	**72,765**	$	66,405
Furniture and equipment		**21,350**		21,350
		94,115		87,755
Accumulated depreciation		**(74,282)**		(55,158)
	$	**19,833**	$	32,597

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include the following:

December 31,		**2016**		2015
Purpose restrictions				
Progam expenditures	**$**	**6,300**	$	7,500
Time restrictions:				
Contributions receivable for operations		**18,000**		-
	$	**24,300**	$	7,500

NOTE 5: 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,	**2016**	2015
Purpose restrictions accomplished:		
Program expenditures	**$ 21,806**	$ -
Time restrictions expired:		
Passage of specified time	**-**	24,000
	$ 21,806	$ 24,000

NOTE 6: CONCENTRATIONS

Substantially all newspaper printing costs were purchased from one supplier during 2016 and 2015.

One donor comprised approximately 16% and 25% of all donations made to the Organization during the years ended December 31, 2016 and 2015, respectively.

NOTE 7: LEASES

The Organization uses donated office space located in Nashville, Tennessee under a month-to-month agreement for the year ended December 31, 2016 (see note 9).

The Organization also leased additional office space under a noncancelable operating lease for the year ended December 31, 2016. As of December 31, 2016, this lease is on a month-to-month agreement.

Total rent expense for all operating leases was $68,876 and $72,247 for the years ended December 31, 2016 and 2015, respectively.

NOTE 8: 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,	**2016**	2015
Rent	**$ 59,500**	$ 59,500
Advertising and promotions	**-**	37,231
Donated securities	**-**	11,148
	$ 59,500	$ 107,879

NOTE 9: SUBSEQUENT EVENTS

In June 2017, the Organization signed a new 3 year lease agreement with its current landlord for its use of the Downtown Presbyterian Church. The new lease expires May 2020.