

OPEN TABLE OF NASHVILLE, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 and 2017

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 statements of financial position as of December 31, 2018 and 2017, 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.

Auditor's 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 audits 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, 2018 and 2017, 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.

Changes in Financial Statement Presentation

As discussed in Note 2, Open Table of Nashville, Inc. adopted Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the disclosure of liquidity and availability of resources, which have been implemented prospectively as allowed under the provisions of ASU 2016-14. Our opinion is not modified with respect to this matter.

A handwritten signature in blue ink that reads "Cherry Bekart LLP". The signature is written in a cursive, flowing style.

Nashville, Tennessee
August 24, 2019

OPEN TABLE OF NASHVILLE, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 335,499	\$ 382,558
Pledges receivable	3,470	3,470
Accounts receivable	-	3,000
Grant receivable	32,000	-
Prepaid expenses	<u>-</u>	<u>5,833</u>
Total Current Assets	370,969	394,861
Construction in progress	494,488	18,933
Property and equipment, net	<u>5,832</u>	<u>991</u>
Total Assets	<u><u>\$ 871,289</u></u>	<u><u>\$ 414,785</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 29,767	\$ 8,142
Note payable	<u>25,000</u>	<u>-</u>
Total Current Liabilities	54,767	8,142
Note payable	<u>25,000</u>	<u>-</u>
Total Liabilities	<u>79,767</u>	<u>8,142</u>
Net Assets:		
Without donor restrictions	505,223	34,019
With donor restrictions	<u>286,299</u>	<u>372,624</u>
Total Net Assets	<u>791,522</u>	<u>406,643</u>
Total Liabilities and Net Assets	<u><u>\$ 871,289</u></u>	<u><u>\$ 414,785</u></u>

OPEN TABLE OF NASHVILLE, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 626,522	\$ 424,230	\$ 1,050,752
In-kind	38,142	-	38,142
Annual event sponsor and ticket revenues	-	-	-
Net assets released from restrictions	510,555	(510,555)	-
Total Revenue and Other Support	1,175,219	(86,325)	1,088,894
Expenses:			
Program services	376,026	-	376,026
Management and general	297,785	-	297,785
Fundraising	30,204	-	30,204
Total Expenses	704,015	-	704,015
Change in net assets	471,204	(86,325)	384,879
Net assets, beginning of year	34,019	372,624	406,643
Net assets, end of year	\$ 505,223	\$ 286,299	\$ 791,522

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

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

YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
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	<u>\$ 34,019</u>	<u>\$ 372,624</u>	<u>\$ 406,643</u>

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, 2018

	Program Services					Supporting Services				Total
	Street Outreach	Volunteer Community Relations	Micro Homes	Education	Public Policy and Advocacy	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries and related expenses	\$ 153,500	\$ 36,390	\$ 32,522	\$ 24,375	\$ -	\$ 246,787	\$ 126,034	\$ 23,109	\$ 149,143	\$ 395,930
In-kind	-	-	1,000	-	-	1,000	37,142	-	37,142	38,142
Utilities	-	-	-	-	-	-	35,011	-	35,011	35,011
Street outreach	32,650	-	-	281	-	32,931	45	-	45	32,976
Chaplaincy	23,640	-	-	300	-	23,940	-	-	-	23,940
Payroll taxes	11,258	2,253	1,841	18	-	15,370	7,400	424	7,824	23,194
Professional fees	75	-	-	-	-	75	22,900	-	22,900	22,975
Event expense	-	-	-	18	-	18	13,291	1,480	14,771	14,789
Insurance	-	-	-	-	-	-	13,750	-	13,750	13,750
Printing and technology	8,704	295	-	-	150	9,149	2,122	2,413	4,535	13,684
AmeriCorps	11,738	54	-	-	-	11,792	-	-	-	11,792
Telephone	-	-	-	-	-	-	10,569	-	10,569	10,569
Financial aid	9,453	-	-	-	-	9,453	-	-	-	9,453
Advocacy	-	-	-	-	7,539	7,539	-	-	-	7,539
Fees and penalties	3	-	-	-	-	3	7,505	-	7,505	7,508
Online service	120	-	-	-	-	120	6,539	-	6,539	6,659
Rent expense	-	-	-	-	-	-	6,000	-	6,000	6,000
Depreciation	5,021	-	-	-	-	5,021	-	-	-	5,021
Contract labor	1,920	-	-	-	-	1,920	1,750	-	1,750	3,670
Supplies	142	20	579	-	-	741	2,313	128	2,441	3,182
Advertising and marketing	-	-	-	-	-	-	856	2,170	3,026	3,026
Staff development	-	-	1,700	-	-	1,700	1,172	-	1,172	2,872
Auto expense	704	-	-	-	-	704	1,717	-	1,717	2,421
Resource shelter	1,655	-	-	-	-	1,655	81	-	81	1,736
Discretionary Funds	1,702	-	-	-	-	1,702	-	-	-	1,702
Travel	20	67	1,296	82	-	1,465	142	54	196	1,661
Education	372	16	-	852	-	1,240	27	-	27	1,267
Postage and delivery	32	88	-	-	-	120	501	283	784	904
Dues and subscriptions	-	361	-	-	-	361	360	-	360	721
Facilities and equipment	666	-	-	-	-	666	-	-	-	666
Volunteers	15	518	-	-	-	533	-	-	-	533
Donations and gifts	-	-	-	-	-	-	464	-	464	464
Meals and entertainment	-	-	-	21	-	21	94	23	117	138
Miscellaneous	-	-	-	-	-	-	-	120	120	120
	<u>\$ 263,390</u>	<u>\$ 40,062</u>	<u>\$ 38,938</u>	<u>\$ 25,947</u>	<u>\$ 7,689</u>	<u>\$ 376,026</u>	<u>\$ 297,785</u>	<u>\$ 30,204</u>	<u>\$ 327,989</u>	<u>\$ 704,015</u>

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

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

YEAR ENDED DECEMBER 31, 2017

	Program Services						Supporting Services			
	Street Outreach	Micro Homes	Volunteer	Education	Public	Total	Management and General	Fund Raising	Total	Total
			Community Relations		Policy and Advocacy	Program Services			Supporting Services	
Salaries and related expenses	\$ 132,801	\$ 70,084	\$ 36,677	\$ 30,155	\$ -	\$ 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	363	282	42	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	484	258	-	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	198	64	-	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	-	60	-	17	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
	\$ 299,059	\$ 140,062	\$ 40,875	\$ 32,556	\$ 17,014	\$ 529,566	\$ 150,211	\$ 59,243	\$ 209,454	\$ 739,020

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, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 384,879	\$ 82,534
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,021	838
Gain on disposal of assets	(1,924)	-
Changes in operating assets and liabilities:		
Pledges receivable	-	40,715
Accounts receivable	3,000	3,159
Grant receivable	(32,000)	-
Prepaid expenses	5,833	10,593
Accounts payable and accrued liabilities	21,625	(3,105)
Deferred revenue	-	(11,500)
Net cash provided by operating activities	<u>386,434</u>	<u>123,234</u>
Cash flows from investing activities:		
Purchases of property and equipment and construction in progress	(485,640)	(19,932)
Proceeds from the sale of property and equipment	<u>2,147</u>	<u>-</u>
Net cash used in investing activities	<u>(483,493)</u>	<u>(19,932)</u>
Cash flows from financing activities:		
Proceeds from borrowings	<u>50,000</u>	<u>-</u>
Net cash provided by financing activities	<u>50,000</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(47,059)	103,302
Cash and cash equivalents, beginning of year	<u>382,558</u>	<u>279,256</u>
Cash and cash equivalents, end of year	<u><u>\$ 335,499</u></u>	<u><u>\$ 382,558</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, 2018 AND 2017

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 (“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, 2018 and 2017.

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, 2018 AND 2017

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 net assets with donor restrictions. When a restriction expires, they are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible pledges receivable. Management believes that pledges receivable are fully collectible at December 31, 2018 and 2017. As a result, no allowance for uncollectible accounts has been provided. All pledges receivable are due within one year.

Accounts Receivable and Grant Receivable – These receivable balances 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 the receivables are fully collectible at December 31, 2018 and 2017. As a result, no allowance for accounts receivable has been provided. All of these receivable balances 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.

Contributions – Contributions received are recorded as net assets with donor restrictions or without donor restrictions 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 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 \$3,026 and \$11,056 for the years ended December 31, 2018 and 2017, 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 9).

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Note 2—Summary of significant accounting policies (continued)

During the years ended December 31, 2018 and 2017, the Organization received approximately 10,200 and 5,300 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.

Change in Accounting Principle – In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been implemented retrospectively to all periods presented, except for the liquidity note, as allowed under the provisions of ASU 2016-14.

Accounting Policies for Future Pronouncements – In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Accounting Standards Codification (“ASC”) 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Organization for the year ending December 31, 2021. A modified retrospective transition approach is required for leases for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with practical expedients available. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements. See Note 8 for disclosure regarding the Organization’s current operating lease.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The standard will be effective for the fiscal year ending December 31, 2019. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events – The Organization evaluated subsequent events through August 24, 2019, when these financial statements were available to be issued.

OPEN TABLE OF NASHVILLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Note 3—Liquidity and availability

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 limited their use, within one year of the statement of financial position, compromise the following at December 31, 2018:

Financial assets at year-end:

Cash and cash equivalents, at year-end	\$ 335,499
Grant receivable	32,000
	<u>367,499</u>
Less amounts unavailable for general expenditures due to restrictions for specific programs	<u>(286,299)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 81,200</u>

Note 4—Concentrations

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

The Organization received approximately 25% of its contributions from one major donor for the year ended December 31, 2018.

Note 5—Property and equipment

Property and equipment consists of the following at December 31, 2018 and 2017:

	2018	2017
Vehicles	\$ 6,000	\$ 8,800
Furniture and equipment	12,675	2,590
	<u>18,675</u>	<u>11,390</u>
Less accumulated depreciation	<u>(12,843)</u>	<u>(10,399)</u>
	<u>\$ 5,832</u>	<u>\$ 991</u>

At December 31, 2018, construction in progress, of \$494,488, consists of architect and professional fees and other construction costs incurred related to the construction of the micro home village.

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

DECEMBER 31, 2018 AND 2017

Note 6—Notes payable

On May 25, 2018, the Organization signed a \$25,000 promissory note that is noninterest bearing and matures on May 25, 2024. However, before the due date, the lender may request repayment of all or part of the balance outstanding and the Organization shall make a very good faith effort to repay the amount of such request within thirty days of notice of such request. Consequently, the \$25,000 note balance is included in current liabilities on the December 31, 2018 statement of financial position.

On June 11, 2018, the Organization signed a \$25,000 promissory note that is noninterest bearing and matures on June 11, 2021. The \$25,000 note balance is included in long-term debt on the December 31, 2018 statement of financial position.

Note 7—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, 2018 and 2017:

Purpose	Balance, January 1, 2018	Contributions	Expenses/ Releases	Balance, December 31, 2018
Micro homes	\$ 334,154	\$ 424,230	\$ 475,555	\$ 282,829
Pledges receivable	3,470	-	-	3,470
Street outreach	35,000	-	35,000	-
	<u>\$ 372,624</u>	<u>\$ 424,230</u>	<u>\$ 510,555</u>	<u>\$ 286,299</u>

Purpose	Balance, January 1, 2017	Contributions	Expenses/ Releases	Balance, December 31, 2017
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>

Note 8—Commitments

During January 2017, the Organization entered into a lease agreement with Glencliff United Methodist Organization 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 \$1 per year. The lease expires in 2022 and shall be automatically renewed for one-year terms at the discretion of the Organization.

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

DECEMBER 31, 2018 AND 2017

Note 9—Gifts in-kind

During 2018 and 2017, the Organization recorded donated materials with an estimated value of \$38,142 and \$44,326, respectively, as in-kind revenues and expenses in the statements of activities and functional expenses.

Note 10—Related party transactions

One member of the Organization's Board of Directors serves as an executive of a donor who contributed \$32,000 in the year ended December 31, 2018. The same donor has also communicated the intent to give additional \$32,000 donations in the years ending December 31, 2019 and 2020.