OUR PLACE NASHVILLE

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2022

OUR PLACE NASHVILLE

TABLE OF CONTENTS

UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our Place Nashville

We have audited the accompanying financial statements of Our Place Nashville (the "Organization), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit 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 audit. 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 for 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 judgment, 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.

UHY LLP

Nashville, TN
June 15, 2023

OUR PLACE NASHVILLE
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 84,340
Restricted cash	28,623
Pledges receivable	16,516
Prepaid expenses and other current assets	4,862
Total current assets	134,341
PROPERTY AND EQUIPMENT	22,310
INVESTMENTS	91,124
	$ 247,775

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 987
Accrued liabilities	10,548
Total current liabilities	11,535
NET ASSETS	
Without donor restrictions	116,493
With donor restrictions	119,747
Total net assets	236,240
	$ 247,775

See notes to financial statements.

OUR PLACE NASHVILLE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
Grants	$ 62,350	-	$ 62,350
Contributions	142,507	16,293	158,800
Total public support	204,857	16,293	221,150
Revenue:			
Investment loss, net	(6,161)	-	(6,161)
Other miscellaneous income	11,000	-	11,000
Net assets released from restrictions	6,542	(6,542)	-
Total revenue	11,381	(6,542)	4,839
Total public support and revenue	216,238	9,751	225,989
EXPENSES			
Program services	193,323	-	193,323
Supporting Services		-	-
Management and general	37,528	-	37,528
Fundraising	24,254	-	24,254
Total supporting services	61,782	-	61,782
Total expenses	255,105	-	255,105
CHANGE IN NET ASSETS	(38,867)	9,751	(29,116)
NET ASSETS - Beginning of year	155,360	109,996	265,356
NET ASSETS - End of year	$ 116,493	$ 119,747	$ 236,240

See notes to financial statements.

OUR PLACE NASHVILLE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and wages	$ 77,319	$ 16,583	$ 16,583	$ 33,166	$ 110,485
Payroll taxes	29,423	6,311	6,310	12,621	42,044
Telephone	15,729	1,115	-	1,115	16,844
Dues and subscriptions	235	326	809	1,135	1,370
Donations	22,100	-	-	-	22,100
Rent	5,200	-	-	-	5,200
Advertising and promotion	2,000	-	442	442	2,442
Travel and entertainment	3,674	632	-	632	4,306
Insurance	193	2,223	-	2,223	2,416
Professional fees	22,270	7,909	-	7,909	30,179
Repairs and maintenance	772	-	-	-	772
Miscellaneous	7,575	2,429	110	2,539	10,114
Depreciation	6,833	-	-	-	6,833
Total Expenses	$ 193,323	$ 37,528	$ 24,254	$ 61,782	$ 255,105

See notes to financial statements.

OUR PLACE NASHVILLE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

OPERATING ACTIVITIES		
Change in net assets	$	(29,116)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Noncash asset donations		(1,300)
Depreciation		6,833
Realized and unrealized loss on investments		7,883
Changes in:		
Pledges receivable		(16,516)
Prepaid expense and other assets		(2,816)
Accounts payable		550
Accrued liabilities		10,548
Net cash used in operating activities		(23,934)
INVESTING ACTIVITIES		
Purchase of investments		(143,132)
Proceeds from sale of investments		44,125
Net cash provided by investing activities		(99,007)
NET DECREASE IN CASH. CASH EQUIVALENTS AND RESTRICTED CASH		(122,941)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Beginning		235,904
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Ending	$	112,963

See notes to financial statements.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Our Place Nashville (the "Organization") is a not-for-profit organization that empowers adults having intellectual and developmental disabilities (IDD) by helping them secure affordable housing and meaningful work within inclusive communities designed to surround them for a lifetime. Formerly known as Nashville IDD Housing Group, the organization was incorporated in the State of Tennessee on May 11, 2015.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization reports information regarding its financial position and activities according to the following net asset classifications:

> <u>Net assets without donor restrictions:</u> 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. Restrictions fulfilled in the same year in which grants and contributions are received are reported in the Statement of Activities as without donor restrictions.
>
> <u>Net assets with donor restrictions:</u> 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 are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Fair Value Measurements

The fair value of financial instruments including cash and cash equivalents, prepaid expenses and other assets, accounts payable, and other liabilities approximate carrying value due to the short-term nature of these accounts.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its financial instruments based on the fair value hierarchy established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Level 1: Financial instruments are valued based on quoted prices in active markets for identical assets or liabilities.

Level 2: Financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.

Level 3: Financial instruments are valued using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

There were no triggering events that required fair value measurements of the Organization's non-financial assets and liabilities at December 31, 2022.

Cash and Cash Equivalents

All unrestricted cash and investment instruments with original maturities of three months or less are considered cash and cash equivalents. The Organization maintains cash and cash equivalent accounts at financial institutions with strong credit ratings. Cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management considers this a normal business risk.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Pledges Receivable

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. We consider pledges receivable to be fully collectible at year end. Accordingly, no allowance for uncollectible promises to give has been recorded as of the year ended December 31, 2022.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost at date of purchase or at estimated fair market value at date of gift. Repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Furniture and fixtures	5-7 years

Investments

Investments are reported at fair value based on quoted prices in active markets. Investment return, which consists of interest and dividend income earned, realized gains (losses) and unrealized gains (losses) on those investments, is included in the statement of activities, net of investment expenses. Realized gains (losses) on sales of investments are generally determined on a specific cost identification basis.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with various types of investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amount to $2,442 for the year ended December 31, 2022.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as an organization that is not a private foundation as defined in Section 509(a) of the IRC. Therefore, no provision for federal income taxes is included in the accompanying financial statements. Management believes there are no uncertain tax positions for the year ended December 31, 2022. The Organization files tax returns in the U.S. federal jurisdiction. The Organization is subject to audits for federal and state purposes for the statutory period.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods, services, and assets are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. Contributed nonfinancial assets were received by the Organization during the year ended Decermber 31, 2022, and were recorded as public support on the statement of activities (Note 8).

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses for the year ended December 31, 2022 present the natural classification detail of expenses by function. Expenses that can be directly attributed to one function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Expenses that were allocated consist primarily of salary and related expenses which have been allocated based on time incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Restricted Endowment Funds

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. U.S. GAAP requires disclosure of a description of the governing board's interpretation of the law that underlies the Organization's net asset classification of donor-restricted endowment funds, a description of the Organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the Organization's endowment investment policies, and additional disclosures (See NOTE 6).

Recently Adopting Accounting Standard

During the year ended December 31, 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities and increases the disclosure requirements. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through June 15, 2023, the date the financial statements were available to be issued.

NOTE 2 — 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 expenses over a twelve month period, the Organization considers all expenses related to its ongoing program service activities and supporting services to be general expenses. Financial assets available for general expenses that are without donor restrictions or other restrictions limiting their use within one year of the statement of financial position comprise the following at December 31, 2022:

Cash and cash equivalents	$	84,340
Pledges receivable		16,516
Financial assets available within one year	$	100,856

For liquidity management, the Organization invests cash in excess of daily requirements in an interest bearing, short-term money market investment account, which is a cash equivalent.

NOTE 3 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2022:

Donor-restricted endowment funds	$	119,747

The Organization releases net assets with donor restrictions as they incur expenses satisfying the restrictions imposed or by occurrence of other events specified by donors or time. Net assets released from donor-restricted endowment funds totaled $6,542 during the year ended December 31, 2022.

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2022:

Furniture and fixtures	$	46,528
Less: accumulated depreciation		(24,218)
	$	22,310

Depreciation expense was $6,833 for the year ended December 31, 2022.

NOTE 5 — INVESTMENTS

U.S. GAAP provides a framework for measuring fair value. To increase consistency and comparability in fair value measurements, the framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the primary or most advantageous market for the asset or liability in an orderly transaction between market participants.

The framework uses a three-level valuation hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

Assets classified as Level 1 have fair values based on unadjusted quoted market prices for identical instruments in active markets. Assets classified as Level 2 have fair values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and model derived valuations whose inputs are observable. Assets classified as Level 3 have fair values based on value drivers that are unobservable.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the year ended December 31, 2022.

> Diversifiers, equities, fixed income and money market funds - Valued at the closing price reported on an active market on which the individual securities are traded and at the net asset value (NAV) of shares held at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, 2022, fair values of investments are summarized as follows:

	Cost	Fair Value			
		Level 1	Level 2	Level 3	Total
Equities	$ 38,702	$ 33,700	$ -	$ -	$ 33,700
Fixed Income	43,947	-	44,104	-	44,104
Other	15,496	13,320	-	-	13,320
Total	$ 98,145	$ 47,020	$ 44,104	$ -	$ 91,124

Net investment return for the year ended December 31, 2022:

Realized loss on sale of investments	$ (618)
Unrealized loss from investments	(7,265)
Interest and dividends, net of fees	1,722
	$ (6,161)

NOTE 6 — ENDOWMENT

The Organization's endowment includes donor-restricted gifts held in cash and investment accounts. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Board of Directors of the Organization has interpreted the UPMIFA (see Note 1) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Endowment Investment Policy and Risk Parameters – The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and fixed income securities, among others. These are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5% (after the first two years), while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, will produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE 6 — ENDOWMENT (Continued)

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. The Organization's investment policy by type of investment is generally as follows:

Cash and cash equivalents	0% – 20%
Fixed income	20% – 60%
Equities	40% – 80%
Other	0% – 20%

Endowment net asset composition by type of fund as of December 31, 2022:

	Without Restrictions	With Restrictions	Total
Endowment net assets	$ -	$ 119,747	$ 119,747

Changes in endowment net assets for the year ended December 31, 2022:

	Without Restrictions	With Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 109,996	$ 109,996
Additions	-	16,293	16,293
Investment return:			
Dividend income, net	-	2,000	2,000
Investment fees	-	(659)	(659)
Net decrease (realized and unrealized)	-	(7,883)	(7,883)
Amounts released from restriction	-	-	-
Endowment net assets, end of year	$ -	$ 119,747	$ 119,747

NOTE 7 — CONCENTRATIONS

The Organization receives a significant amount of its public support and revenue from donations and grants. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization's programs and services. At December 31, 2022, 100% of the Organizations receivable were from three pledgors.

NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization periodically receives donations of goods, services and assets when they (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of the donation is recorded as contribution support in the period received.

The following donations are reflected as contributions of nonfinancial assets with no associated donor restriction in the accompanying statement of activities for the year ended December 31, 2022:

	Valuation Techniques and Inputs	
Goods, services and assets	Contributed goods, services and assets at estimated fair value based on current rates for similar items	$ 23,400
		$ 23,400

Contributions of nonfinancial assets and their use in programs and other activities are as follows:

	Year Ended December 31, 2022			
	Program Services	General & Administrative	Fundraising	Total
Goods and services	$ 23,400	$ -	$ -	$ 23,400
	$ 23,400	$ -	$ -	$ 23,400