

The Contributor, Inc.

FINANCIAL STATEMENTS

December 31, 2014 and 2013



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The Contributor, Inc.
Table of Contents
December 31, 2014 and 2013

Independent Auditors' Report 1

FINANCIAL STATEMENTS

Statements of Financial Position as of December 31, 2014 and 2013 3

Statements of Activities for the Years Ended December 31, 2014 and 2013 4

Statements of Functional Expenses for the Years Ended December 31, 2014 and 2013 6

Statements of Cash Flows for the Years Ended December 31, 2014 and 2013 8

Notes to Financial Statements 9

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, 2014 and 2013, 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, 2014 and 2013, 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 24, 2015

The Contributor, Inc.
Statements of Financial Position

<i>December 31,</i>	2014	2013
ASSETS		
Cash	\$ 174,141	\$ 272,555
Contributions receivable	43,390	50,863
Other assets	2,933	-
Property and equipment	54,694	36,563
TOTAL ASSETS	\$ 275,158	\$ 359,981
LIABILITIES		
Accounts payable and accrued expenses	\$ 30,884	\$ 12,656
TOTAL LIABILITIES	30,884	12,656
NET ASSETS		
Unrestricted	203,038	324,141
Temporarily restricted	41,236	23,184
TOTAL NET ASSETS	244,274	347,325
TOTAL LIABILITIES AND NET ASSETS	\$ 275,158	\$ 359,981

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

The Contributor, Inc.
Statements of Activities

For the Year Ended December 31,

2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Newspaper revenues	\$ 312,432	\$ -	\$ 312,432
Contributions	175,431	41,236	216,667
Grants	77,000	-	77,000
In-kind support	169,229	-	169,229
Miscellaneous income	3,190	-	3,190
Net assets released from restrictions	23,184	(23,184)	-
TOTAL SUPPORT AND REVENUE	760,466	18,052	778,518
EXPENSES			
Program	424,346	-	424,346
Supporting services			
Management and general	315,815	-	315,815
Fundraising	141,408	-	141,408
TOTAL EXPENSES	881,569	-	881,569
CHANGE IN NET ASSETS	(121,103)	18,052	(103,051)
NET ASSETS - BEGINNING OF YEAR	324,141	23,184	347,325
NET ASSETS - END OF YEAR	\$ 203,038	\$ 41,236	\$ 244,274

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

The Contributor, Inc.
Statements of Activities

For the Year Ended December 31,

2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Newspaper revenues	\$ 291,589	\$ -	\$ 291,589
Contributions	485,849	23,184	509,033
Grants	19,300	-	19,300
In-kind support	128,838	-	128,838
Miscellaneous income	3,706	-	3,706
Net assets released from restrictions	-	-	-
TOTAL SUPPORT AND REVENUE	929,282	23,184	952,466
EXPENSES			
Program	337,664	-	337,664
Supporting services			
Management and general	262,186	-	262,186
Fundraising	84,661	-	84,661
TOTAL EXPENSES	684,511	-	684,511
CHANGE IN NET ASSETS	244,771	23,184	267,955
NET ASSETS - BEGINNING OF YEAR	79,370	-	79,370
NET ASSETS - END OF YEAR	\$ 324,141	\$ 23,184	\$ 347,325

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

The Contributor, Inc.
Statements of Functional Expenses

For the Year Ended December 31,

2014

	Program		Supporting Services		Total
	Newspaper Publishing	Management and General	Fundraising		
Advertising and promotions	\$ 28,950	\$ 32,355	\$ 56,277	\$ 117,582	
Automobile expenses	547	459	208	1,214	
Commissions	234	5,246	-	5,480	
Contracted services	10,195	29,392	-	39,587	
Contributions	-	500	-	500	
Depreciation	-	8,805	-	8,805	
Dues and subscriptions	-	1,687	-	1,687	
Employee benefits	15,926	8,654	4,724	29,304	
Freelance costs	48,610	-	-	48,610	
Insurance	-	4,150	-	4,150	
IT and communications	-	7,924	-	7,924	
Legal expenses	-	-	-	-	
Miscellaneous expenses	1,986	368	-	2,354	
Office expenses	-	18,459	11,065	29,524	
Payroll taxes	14,471	8,518	4,656	27,645	
Printing costs	75,003	-	2,512	77,515	
Printing - resource guide	11,358	-	-	11,358	
Rent	-	75,398	-	75,398	
Salaries and wages	191,704	104,376	56,110	352,190	
Special events	-	-	4,613	4,613	
Supplies	20,481	-	-	20,481	
Technology	4,881	-	1,243	6,124	
Travel	-	9,524	-	9,524	
	\$ 424,346	\$ 315,815	\$ 141,408	\$ 881,569	

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

The Contributor, Inc.
Statements of Functional Expenses

For the Year Ended December 31,

2013

	Program		Supporting Services		Total
	Newspaper Publishing	Management and General	Fundraising		
Advertising and promotions	\$ -	\$ -	\$ 12,943	\$ 12,943	
Automobile expenses	2,715	1,350	610	4,675	
Commissions	5,774	-	-	5,774	
Contracted services	1,765	88,178	397	90,340	
Contributions	3,000	-	-	3,000	
Depreciation	-	5,956	-	5,956	
Dues and subscriptions	-	2,463	-	2,463	
Employee benefits	13,592	6,760	3,055	23,407	
Freelance costs	18,107	-	-	18,107	
Insurance	-	3,630	-	3,630	
IT and communications	-	4,295	-	4,295	
Legal expenses	-	19,075	-	19,075	
Miscellaneous expenses	952	2,339	-	3,291	
Office expenses	327	15,255	2,232	17,814	
Payroll taxes	12,891	6,411	2,898	22,200	
Printing costs	102,801	-	26,325	129,126	
Printing - resource guide	12,379	-	-	12,379	
Rent	-	29,362	-	29,362	
Salaries and wages	145,411	72,320	32,684	250,415	
Special events	-	-	2,245	2,245	
Supplies	8,497	-	-	8,497	
Technology	5,659	-	1,272	6,931	
Travel	3,794	4,792	-	8,586	
	\$ 337,664	\$ 262,186	\$ 84,661	\$ 684,511	

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

The Contributor, Inc.
Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (103,051)	\$ 267,955
Adjustments to reconcile change in net assets to net cash used (provided) by operating activities		
Depreciation	8,805	5,956
Changes in assets and liabilities:		
Contributions receivable	7,473	(32,890)
Other assets	(2,933)	224
Accounts payable and accrued expenses	18,228	(11,793)
NET CASH USED (PROVIDED) BY OPERATING ACTIVITIES	(71,478)	229,452
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(26,936)	(35,588)
NET CASH USED BY INVESTING ACTIVITIES	(26,936)	(35,588)
NET INCREASE (DECREASE) IN CASH	(98,414)	193,864
CASH - BEGINNING OF YEAR	272,555	78,691
CASH - END OF YEAR	\$ 174,141	\$ 272,555

The accompanying footnotes 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, 2014 and 2013, 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, 2014 and 2013.

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.

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, 2011 are subject to examination by the Internal Revenue Service.

The Organization has implemented the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. The Organization believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that no accruals are necessary for any open tax years, based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

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.

The Contributor, Inc.
Notes to Financial Statements

Evaluation of Events Occurring After the Financial Statement Date

Management has evaluated subsequent events through September 24, 2015, the date the financial statements were available to be issued.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following:

<i>December 31,</i>	2014	2013
Receivable in less than one year	\$ 43,390	\$ 45,179
Receivable in one to five years	-	7,500
	43,390	52,679
Discounts, at 6%	-	(1,816)
	\$ 43,390	\$ 50,863

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

<i>December 31,</i>	2014	2013
Computer software and database	\$ 55,880	\$ 27,791
Furniture and equipment	18,228	19,906
	74,108	47,697
Accumulated depreciation	(19,414)	(11,134)
	\$ 54,694	\$ 36,563

The Contributor, Inc.
Notes to Financial Statements

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include the following:

<i>December 31,</i>	2014	2013
Time restrictions:		
Contributions receivable for operations	\$ 41,236	\$ 23,184

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:

<i>For the Years Ended December 31,</i>	2014	2013
Time restrictions expired:		
Passage of specified time	\$ 23,184	\$ -
	\$ 23,184	-

NOTE 6: CONCENTRATIONS

Cash and cash equivalents are held in banks in Tennessee and may, at times, exceed Federal Deposit Insurance Company limits. As of December 31, 2014, no cash or cash equivalents exceeded insured limits. As of December 31, 2013, cash and cash equivalents exceeded insured limits by approximately \$7,900.

Substantially all newspaper printing costs were purchased from one supplier during 2014 and 2013.

Two donors comprised approximately 23% of all donations made to the Organization during the year ended December 31, 2014. One donor comprised approximately 14% of all donations made to the Organization during the year ended December 31, 2013.

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, 2014 (see note 8).

The Organization also leased additional office space under a noncancelable operating lease for the year ended December 31, 2014. As of December 31, 2014, this lease is on a month-to-month agreement.

Total rent expense for all operating leases was \$75,398 and \$29,362 for the years ended December 31, 2014 and 2013, respectively.

The Contributor, Inc.
Notes to Financial Statements

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:

<i>For the Year Ended December 31,</i>	2014	2013
Rent	\$ 59,700	\$ 23,078
Legal services	-	19,075
Marketing services and supplies	109,529	26,085
Consulting services	-	60,600
	\$ 169,229	\$ 128,838

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs and fundraising campaigns but which do not meet the criteria for financial statement recognition. The fair value of these services is not reflected in the accompanying financial statements, in as much as there is no objective basis on which to measure the value of such services.