

THE BIG TABLE

FINANCIAL STATEMENTS

December 31, 2020 (audited) and 2019 (unaudited)

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INDEPENDENT AUDITORS' REPORT



To the Board of Directors
The Big Table
Spokane, Washington

We have audited the accompanying financial statements of The Big Table (a nonprofit corporation), which comprise the balance sheet as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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.

Other Matter

The accompanying statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended were not audited, reviewed, or compiled by us, and accordingly, we do not express an opinion or any other form of assurance on them.

Fruci and Associates

Spokane, Washington
June 17, 2021

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THE BIG TABLE
STATEMENTS OF FINANCIAL POSITION

December 31, 2020 (audited) and 2019 (unaudited)

	Assets	
	2020	2019
Current assets		
Cash and cash equivalents	\$ 2,038,020	\$ 285,756
Beneficial interest in assets held by Innovia Foundation	10,833	-
Prepaid expenses	5,425	6,528
Other current assets	-	856
Total current assets	2,054,278	293,140
Property and equipment		
Furniture and equipment	57,364	49,706
Accumulated depreciation and amortization	(23,066)	(19,293)
Net property and equipment	34,298	30,413
Total assets	\$ 2,088,576	\$ 323,553
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,071	\$ 12,359
Accrued payroll and related expenses	-	9,077
Deferred revenue	233,686	15,108
Total current liabilities	234,757	36,544
Total liabilities	234,757	36,544
Net assets		
Without donor restrictions	1,397,126	252,545
With donor restrictions	456,693	34,464
Total net assets	1,853,819	287,009
Total liabilities and net assets	\$ 2,088,576	\$ 323,553

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

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STATEMENTS OF ACTIVITIES

For the years ended December 31, 2020 (audited) and 2019 (unaudited)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support						
Public support	\$ 2,303,286	\$ 821,610	\$ 3,124,896	\$ 753,969	\$ 44,400	\$ 798,369
Fundraising	591,018	-	591,018	467,861	-	467,861
Loan forgiveness income	153,400	-	153,400	-	-	-
Interest income	8,474	-	8,474	2,056	-	2,056
Revenue released from restrictions	-	(399,381)	(399,381)	-	(49,690)	(49,690)
Total revenue and other support	3,056,178	422,229	3,478,407	1,223,886	(5,290)	1,218,596
Expenses						
Program	1,758,079	-	1,758,079	1,042,662	-	1,042,662
Management and general	117,391	-	117,391	83,575	-	83,575
Fundraising	36,127	-	36,127	95,967	-	95,967
Total expenses	1,911,597	-	1,911,597	1,222,204	-	1,222,204
Change in net assets	1,144,581	422,229	1,566,810	1,682	(5,290)	(3,608)
Net assets, beginning of year	252,545	34,464	287,009	250,863	39,754	290,617
Net assets, end of year	\$ 1,397,126	\$ 456,693	\$ 1,853,819	\$ 252,545	\$ 34,464	\$ 287,009

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

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STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020 (audited) and 2019 (unaudited)

	2020				2019			
	Program Activities	Management and General	Fundraising	Total	Program Activities	Management and General	Fundraising	Total
Personnel expenses	\$ 795,021	\$ 36,565	\$ -	\$ 831,586	\$ 663,864	\$ 19,910	\$ -	\$ 683,774
Other employee benefits	51,137	9,025	-	60,162	45,376	8,008	-	53,384
Payroll taxes	47,576	8,396	-	55,972	40,435	7,136	-	47,571
Direct care expenses	707,095	-	-	707,095	165,433	-	-	165,433
General and administrative	72,958	24,320	-	97,278	60,377	20,125	-	80,502
Occupancy	49,485	16,495	-	65,980	41,340	13,780	-	55,120
Development expenses	2,432	11,348	36,127	49,907	1,386	6,468	95,967	103,821
Depreciation	2,965	988	-	3,953	2,833	944	-	3,777
Other	29,410	10,254	-	39,664	21,618	7,204	-	28,822
Total expenses	<u>\$ 1,758,079</u>	<u>\$ 117,391</u>	<u>\$ 36,127</u>	<u>\$ 1,911,597</u>	<u>\$ 1,042,662</u>	<u>\$ 83,575</u>	<u>\$ 95,967</u>	<u>\$ 1,222,204</u>

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

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STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 (audited) and 2019 (unaudited)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 1,566,810	\$ (3,608)
Adjustments to reconcile changes in assets to net cash:		
Depreciation and amortization expense	3,953	3,777
Loss on disposal of property and equipment	451	-
Change in value of beneficial interest in assets held by Innovia	(10,833)	-
(Increase) decrease in assets:		
Prepaid expenses	1,103	905
Other current assets	856	(1,094)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(11,288)	(4,713)
Accrued payroll and related expenses	(9,077)	9,077
Deferred revenue	218,578	4,892
Net cash provided by operating activities	1,760,553	9,236
Cash flows from investing activities		
Purchases of property and equipment	(8,289)	(6,640)
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,752,264	2,596
Cash and cash equivalents, beginning of year	<u>285,756</u>	<u>283,160</u>
Cash and cash equivalents, end of year	<u>\$ 2,038,020</u>	<u>\$ 285,756</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2020 (audited) and 2019 (unaudited)

Note 1 – Nature of the Organization

The Big Table ("Big Table" or "the Organization") is a Washington nonprofit corporation which was incorporated on March 15, 2007. Our industry – the restaurant and hospitality industry – is full of amazing and gifted people and hires people no other industry will. These hard-working people have significantly increased risk for financial and emotional crisis as compared to other industries. Yet because hospitality workers are naturally required to keep smiles on their faces, their needs are virtually invisible to the world. Their job is to serve and take care of others – Big Table's mission is to walk alongside and help take care of them when they need it most. Current locations of offices are Spokane, Washington; Seattle, Washington; and San Diego, California. There are also satellite offices in the metropolitan areas of the office locations.

During 2020, the impact of COVID-19 on employees in the hospitality industry received significant public attention and as a result, Big Table experienced a significant increase in donors and expenses during the year as a result of the impacts of shutdowns to restaurants. In addition, awareness arose in the public media regarding financial and emotional hardships held by employees working in the hospitality industry. The donations received were not used entirely in 2020 and will be held for future direct care expenses for hospitality workers such as medical assistance and items related to food and shelter for workers and their families.

Note 2 – Significant Accounting Policies

Basis of Presentation

The financial statements of Big Table have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (GAAP). For the purposes of financial reporting, Big Table classifies resources into two net asset categories pursuant to any donor-imposed restrictions. Accordingly, the net assets of Big Table are classified and reported as follows:

Net assets without donor restrictions – Consists of net assets that are not subject to donor-imposed stipulations. These net assets are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. Currently, the Board has designated a portion of net assets without donor restrictions as operating and strategic marketing reserves.

Net assets with donor restrictions – Consists of net assets subject to donor-imposed time and/or purpose restrictions. Big Table reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

Big Table considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Big Table had cash balances in excess of federally-insured limits in the amount of \$1,211,122 as of December 31, 2020.

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NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2020 (audited) and 2019 (unaudited)

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment purchased are carried at cost, net of accumulated depreciation. Donated property and equipment are carried at estimated fair value at date of donation. Intangible assets purchases are carried at cost, net of accumulated amortization. Acquisitions of \$500 or less are charged to expense. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets, ranging from 5 to 20 years. The capitalization threshold was increased to \$2,500 for the year ended December 31, 2021.

Revenue Recognition

Big Table recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Consequently, at December 31, 2020, contributions of \$233,686, have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met.

Big Table received a significant amount of revenue from donors in response to COVID-19 economic impacts. If these donors were to reduce future funding, it could impact Big Table's financial position, results of operations, and cash flows.

Functional Allocation of Expenses

Expenses directly attributable to a specific functional area of Big Table is reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across program activities based on the proportion of full-time employee equivalents of a program activity versus the total organizational full-time employee equivalents. The following table provides a summary of the allocation methodology for each category of expense:

Expense Category	Method of Allocation
Personnel and related expenses	Time and effort/staff count
Direct care expenses	Direct
General and administrative	Time and effort
Occupancy	Time and effort
Development expenses	Direct
Depreciation	Time and effort
Other	Time and effort

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For the years ended December 31, 2020 (audited) and 2019 (unaudited)

Advertising

Advertising and marketing costs are charged to expense as incurred. Marketing and promotion costs totaled \$12,449 and \$4,726 in 2020 and 2019, respectively.

Income Taxes

Big Table is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Big Table groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

The respective carrying values of financial assets or liabilities on the statements of financial position approximate their fair values due to the short-term nature of the assets or liabilities.

Subsequent Events

Management has evaluated subsequent events through June 17, 2021, which is the date these financial statements were available to be issued.

Note 3 – Leases

Big Table leases office space under various operating leases expiring through August 31, 2022. Future minimum lease obligations are as follows:

2021	\$	50,838
2022		24,574
	\$	<u>75,412</u>

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Note 4 – Retirement Contributions

Big Table holds a SIMPLE IRA plan in which employees' contributions are matched up to 3% of eligible salaries. In order for employees to participate in the plan, they must have earned at least \$5,000 in wages from Big Table in the prior year. Employer contributions were \$13,757 and \$15,908 for the years ended December 31, 2020 and 2019, respectively.

Note 5 – Beneficial Interest in Assets Held by Innovia Foundation

During 2020, Big Table established the Big Table Endowment Fund ("the Fund") with Innovia (a nonprofit corporation in Spokane, Washington) by a transfer of \$10,000 to Innovia.

The Fund is considered an agency endowment fund of Innovia and Big Table is the Fund's designated beneficiary. Accordingly, Big Table has a beneficial interest in the Fund's assets held by Innovia. The distributable income of the Fund is subject to assessment for the costs of fund administration by Innovia and will be distributed to Big Table, to be used for its charitable purposes, provided that at the time of such distribution Big Table has retained its nonprofit tax status.

Since this account resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted board designated net assets. Innovia's spending policies are designed to protect the long-term viability of endowments by addressing the distribution of assets, investment authority, delegation of investment management, standards of conduct and releasing of restrictions on the use of the endowment or investments. The distributable amount is based on the average market value over a 13-quarter rolling average.

Note 6 – Liquidity and Availability of Resources

Big Table strives to maintain liquid financial assets sufficient to maintain a reserve of \$500,000 for general expenditures. The following table reflects Big Table's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. A summary of assets available as of yearend to meet general expenditures is as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,038,020	\$ 285,756
Total financial assets	2,038,020	285,756
Less amounts not available to be used within one year:		
Net assets with donor restrictions	456,693	34,464
Financial assets available to meet general expenditures within one year	<u>\$ 1,581,327</u>	<u>\$ 251,292</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2020 (audited) and 2019 (unaudited)

Note 7 – Note Payable

During 2020, Big Table received a loan from the Small Business Administration under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provides assistance to qualifying businesses. The principal and any accrued interest are forgivable as long as the borrower uses the proceeds for eligible purposes and maintains employment at the appropriate threshold. Management has elected to recognize the loan as a conditional contribution and used the funds for eligible purposes, including payroll, benefits, rent, and utilities. Big Table used the proceeds for purposes consistent with the PPP loan and the loan was forgiven.

Note 8 – Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of December 31:

	<u>2020</u>	<u>2019</u>
Direct assistance	\$ 8,070	\$ 10,089
Housing assistance	89,509	11,750
Food stability	204,140	-
Expansion	134,974	12,400
COVID-19 relief	10,000	-
Dental assistance	10,000	225
Net assets released from restrictions	<u>\$ 456,693</u>	<u>\$ 34,464</u>

Note 9 – Subsequent Events

During June 2021, Big Table has opened an office in Nashville, Tennessee. As a result, additional staff were hired, and Big Table initiated a lease which is effective for the period from June 1, 2021 to May 31, 2023. Future minimum payments related to this lease are as follows:

2021	\$ 10,150
2022	17,708
2023	<u>7,470</u>
	<u>\$ 35,328</u>