The Contributor, Inc.

Financial Statements
For the Year Ended December 31, 2022

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Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

BLANKENSHIP

Independent Auditor's Report

Board of Directors
The Contributor, Inc.

Opinion

We have audited the financial statements of The Contributor, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, 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 accompanying financial statements 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 (GAAS). 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 issued or 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 GAAS 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 GAAS, 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
August 10, 2023

The Contributor, Inc.
Statement of Financial Position
December 31, 2022

Assets		
Cash	$	521,679
Accounts receivable		322,563
Other assets		3,102
Property and equipment, net		4,149
Total assets	**$**	**851,493**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	2,708
Net assets		
Without donor restrictions		848,785
Total liabilities and net assets	**$**	**851,493**

The Contributor, Inc.
Statement of Activities
For the Year Ended December 31, 2022

Support and Revenues		
Newspaper sales, net of discounts	$	40,861
Contributions of cash and other financial assets		
Grants		1,070,877
Other contributions		207,496
Advertising income		19,280
Total support and revenues		1,338,514
Expenses		
Program services		919,038
Management and general		89,086
Fundraising		13,615
Total expenses		1,021,739
Change in net assets without donor restrictions		316,775
Net assets without donor restrictions, beginning of year		532,010
Net assets without donor restrictions, end of year	**$**	**848,785**

The Contributor, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Advertising and promotions	$ 5,072	$ -	$ 6,652	$ 11,724
Contracted services	5,078	27,429	-	32,507
Cost of good sold	490	-	-	490
Charitable donations	135	-	-	135
Database expense	4,928	-	-	4,928
Depreciation	-	4,157	-	4,157
Insurance	-	3,433	-	3,433
IT and communications	-	8,307	-	8,307
Miscellaneous	13,280	-	-	13,280
Newspaper costs	100,842	-	-	100,842
Office	-	30,347	-	30,347
Payroll taxes	34,773	463	463	35,699
Rent	-	8,400	-	8,400
Salaries and wages	487,704	6,500	6,500	500,704
Taxes and licenses	-	50	-	50
Travel	344	-	-	344
Vendor program gear	18,911	-	-	18,911
Vendor support	247,481	-	-	247,481
	$ 919,038	**$ 89,086**	**$ 13,615**	**$ 1,021,739**

The Contributor, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash, beginning of year	$	285,346
Cash flows from operating activities		
Change in net assets		316,775
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation		4,157
Change in:		
Accounts receivable		(78,537)
Other assets		(2,702)
Accounts payable and accrued expenses		(3,360)
Net cash provided (used) by operating activities		236,333
Cash, end of year	**$**	**521,679**

Note 1. **Organization and Nature of Activities**

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 and grants.

Note 2. **Summary of Significant Accounting Policies**

Basis of Accounting
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 (US GAAP).

Financial Statement Presentation
The financial statements are reported in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification for *Presentation of Financial Statements, Not-For-Profit Entities*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Use of Estimates
The preparation of financial statements in conformity with US 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.

Cash
The Organization's cash consists primarily of cash on deposit with financial institutions.

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 ranging from three to five years. Expenditures for repairs and maintenance are expensed as incurred. Donations of property are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Note 2. **Summary of Significant Accounting Policies**

Revenue Recognition

Contributions of Cash and Other Financial Assets

Contributions of cash and other financial assets are received and recorded as with or without donor restrictions depending on the existence of any donor restrictions. Contributions received and unconditional promises to give are measured at their estimated fair values and are reported as an increase in net assets. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the reporting period in which the contribution is recognized. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are reflected as 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.

Grants

Grants consist of amounts provided from grantors to fund certain programs and are accounted for as exchange transactions. Any amounts received in excess of related program expenditures are presented as deferred revenues.

New Accounting Pronouncement

In September 2020, the FASB issued Accounting Standards Update (ASU) Topic 958: *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was retroactively adopted by the Organization on January 1, 2022.

Functional Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2. **Summary of Significant Accounting Policies**

Leases (New Accounting Standard Adopted in 2022)
In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on January 1, 2022. Leases are not material to the Organization's financial statements and, therefore, separate line-item presentation and additional disclosures are not presented.

Advertising and Promotions
The Organization expenses advertising costs as incurred. Advertising and promotions expenses totaled $11,724 for the year.

Note 3. **Liquidity and Availability**

The following represents the Organization's financial assets:

Financial assets		
Cash	$	521,679
Accounts receivable		322,563
Total financial assets available to meet expenditures within one year	**$**	**844,242**

As part of its liquidity plan, the Organization has a policy to structure its financial assets in order to have the funds available to meet its general expenditures, liabilities, and other obligations as they come due.

Note 4. **Property and Equipment**

Property and equipment consist of the following:

Computer software and database	$	1,535
Furniture and equipment		10,458
Less: accumulated depreciation		(7,844)
Property and equipment, net	**$**	**4,149**

Note 5. **Concentrations**

The Organization maintains its cash in bank accounts that may at times exceed federally insured limits; however, the Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk regarding cash balances. Uninsured balances as of year end totaled approximately $272,000.

Substantially all newspaper-printing costs were purchased from one supplier during 2022.

Two grantors comprised approximately 78% of all support and revenue to the Organization during the year.

Note 6. **Prior Period Adjustment**

Net assets at the beginning of the year were understated and have been adjusted by $237,201 resulting from accounts receivable that were not recorded in previous years related to the Organization’s grants.

Note 7. **Subsequent Events**

Management has evaluated subsequent events through August 10, 2023, the date on which the financial statements were available to be issued.