

**TABLE MINISTRIES, INC.**  
**Carrboro, North Carolina**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019**



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## **INDEPENDENT AUDITOR'S REPORT**

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To the Board of Directors of  
TABLE Ministries, Inc.  
Carrboro, North Carolina

We have audited the accompanying financial statements of TABLE Ministries, Inc., (a nonprofit organization), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 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.

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TABLE Ministries, Inc., as of August 31, 2020 and 2019, the activities and changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Blackman & Sloop*

Chapel Hill, North Carolina  
February 15, 2021

## TABLE MINISTRIES, INC.

## EXHIBIT A

## STATEMENTS OF FINANCIAL POSITION

August 31, 2020 and 2019

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,404,364	\$ 472,731
Inventory	14,512	12,437
Prepaid expenses	2,981	7,565
Promises to give	37,154	29,927
<b>TOTAL CURRENT ASSETS</b>	<u>1,459,011</u>	<u>522,660</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Computer equipment	3,936	3,936
Less: accumulated depreciation	(2,090)	(1,475)
<b>NET PROPERTY AND EQUIPMENT</b>	<u>1,846</u>	<u>2,461</u>
<b>OTHER ASSETS:</b>		
Security deposit	3,000	3,000
Promises to give, net current maturities	42,353	10,000
<b>TOTAL OTHER ASSETS</b>	<u>45,353</u>	<u>13,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,506,210</u>	<u>\$ 538,121</u>
	<u>LIABILITIES AND NET ASSETS</u>	
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 7,747	\$ 2,488
Accrued payroll liabilities	5,328	5,657
<b>TOTAL CURRENT LIABILITIES</b>	<u>13,075</u>	<u>8,145</u>
<b>LONG TERM LIABILITIES:</b>		
Note payable	39,995	-
<b>TOTAL LIABILITIES</b>	<u>53,070</u>	<u>8,145</u>
<b>NET ASSETS:</b>		
Without donor restrictions	1,233,262	421,720
With donor restrictions	219,878	108,256
<b>TOTAL NET ASSETS</b>	<u>1,453,140</u>	<u>529,976</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,506,210</u>	<u>\$ 538,121</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

## TABLE MINISTRIES, INC.

## EXHIBIT B

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended August 31, 2020 and 2019

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	2020		Totals
	Without Donor Restrictions	With Donor Restrictions	
<b>SUPPORT AND REVENUE:</b>			
Gifts and grants	\$ 1,286,339	\$ 178,177	\$ 1,464,516
In-kind donations	202,719	-	202,719
Special events, net	18,069	-	18,069
Investment income, net	8,338	-	8,338
	<u>1,515,465</u>	<u>178,177</u>	<u>1,693,642</u>
Net assets released from restrictions	66,555	(66,555)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,582,020</u>	<u>111,622</u>	<u>1,693,642</u>
<b>EXPENSES:</b>			
<b>PROGRAM:</b>			
Grants and related expenses	<u>620,076</u>	-	<u>620,076</u>
<b>SUPPORTING SERVICES:</b>			
Management and general	69,836	-	69,836
Fundraising	80,566	-	80,566
Total supporting services	<u>150,402</u>	-	<u>150,402</u>
<b>TOTAL EXPENSES</b>	<u>770,478</u>	-	<u>770,478</u>
<b>CHANGES IN NET ASSETS</b>	811,542	111,622	923,164
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>421,720</u>	<u>108,256</u>	<u>529,976</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,233,262</u>	<u>\$ 219,878</u>	<u>\$ 1,453,140</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

## TABLE MINISTRIES, INC.

## EXHIBIT B

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended August 31, 2020 and 2019

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	2019		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>SUPPORT AND REVENUE:</b>			
Gifts and grants	\$ 433,759	\$ 75,000	\$ 508,759
In-kind donations	196,453	-	196,453
Special events, net	28,544	-	28,544
Investment income, net	187	-	187
Loss on sale of fixed assets	(412)	-	(412)
	<u>658,531</u>	<u>75,000</u>	<u>733,531</u>
Net assets released from restrictions	<u>1,744</u>	<u>(1,744)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>660,275</u>	<u>73,256</u>	<u>733,531</u>
<b>EXPENSES:</b>			
<b>PROGRAM:</b>			
Grants and related expenses	<u>519,506</u>	<u>-</u>	<u>519,506</u>
<b>SUPPORTING SERVICES:</b>			
Management and general	68,900	-	68,900
Fundraising	52,300	-	52,300
Total supporting services	<u>121,200</u>	<u>-</u>	<u>121,200</u>
<b>TOTAL EXPENSES</b>	<u>640,706</u>	<u>-</u>	<u>640,706</u>
<b>CHANGES IN NET ASSETS</b>	19,569	73,256	92,825
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>402,151</u>	<u>35,000</u>	<u>437,151</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 421,720</u>	<u>\$ 108,256</u>	<u>\$ 529,976</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

## TABLES MINISTRIES, INC.

## EXHIBIT C

## STATEMENTS OF CASH FLOWS

For the Years Ending August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 923,164	\$ 92,825
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	615	1,365
Loss on sale of fixed assets	-	412
Changes in assets and liabilities:		
Inventory	(2,075)	27,553
Prepaid expenses	4,584	(4,565)
Promises to give	(39,580)	(39,927)
Accounts payable and accrued expenses	5,259	(4,436)
Accrued payroll liabilities	(329)	(3,399)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>891,638</u>	<u>69,828</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	-	(3,076)
Proceeds from sale of fixed assets	-	300
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>(2,776)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	39,995	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	931,633	67,052
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>472,731</u>	<u>405,679</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,404,364</u>	<u>\$ 472,731</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Noncash transactions:		
Donated food	<u>\$ 202,719</u>	<u>\$ 196,453</u>

The accompanying Notes to Financial Statements are an integral part of these statements.



**TABLE MINISTRIES, INC.****NOTES TO FINANCIAL STATEMENTS**

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**NATURE OF ACTIVITIES**

TABLE Ministries, Inc., (“Organization”), is a nonprofit organization, formed under the laws of the State of North Carolina in 2008, for the principal purpose of providing healthy, emergency food aid every week to hungry preschool, elementary, and middle school children living in Chapel Hill and Carrboro, North Carolina.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Accounting.**

The Organization’s financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities and changes in net assets as net assets released from restrictions.

**B. Cash and Cash Equivalents.**

Cash and cash equivalents consist of monies on deposit at financial institutions, and other highly liquid investments with maturities of twelve months or less. At times, the Organization places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Organization has not experienced any financial loss related to such deposits.

**C. Promises to Give.**

Unconditional promises to give that are expected to be collected within one year, are recorded at net realizable value and are recognized as support and assets in the period received. 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 statements of activities and changes in net assets. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. The Organization provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in collection. The estimation is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of August 31, 2020 and 2019, all promises to give were deemed collectible by management.

## TABLE MINISTRIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## D. Inventory.

Inventory consists of food donated or purchased for distribution to children, and the value is recorded at a standard rate per pound. The Organization does not have an allowance for inventory obsolescence.

## E. Property and Equipment.

Property and equipment are stated at cost and are capitalized if the life is expected to be greater than one year and if the cost exceeds \$500. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities and changes in net assets. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

## F. Net Assets.

Net assets, support and revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or grantor restrictions.

*With Donor Restrictions* – Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## G. Donated Services.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

## H. Estimates.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

## TABLE MINISTRIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## I. Income Tax Status.

The Organization is an 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) and is classified as other than a private foundation under Section 509(a)(2). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. If applicable, the Organization reports interest and penalties related to unrecognized tax positions as interest expense under general and administrative expenses.

## J. New Accounting Pronouncements.

In June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Foundation has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

**LIQUIDITY AND AVAILABILITY**

The following represents the Organization’s financial assets at August 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,404,364	\$ 472,731
Promises to give	<u>79,507</u>	<u>39,927</u>
Total liquid current assets	1,483,871	512,658
Less amounts unavailable for general expenditures within one year, due to:		
Restrictions by donor for time or purpose	(219,878)	(108,256)
Board designated restrictions for space	<u>(55,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,208,993</u>	<u>\$ 404,402</u>

The Organization’s programs are supported both by contributions with and without donor restrictions. Donors include individuals, corporations, and foundations. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors.

## TABLE MINISTRIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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**LIQUIDITY AND AVAILABILITY (CONTINUED)**

Thus, financial assets may not be available for general expenditure within one year. As 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 come due. Management believes the resources available are sufficient for general expenditures due within one year.

**PROMISES TO GIVE**

Unconditional promises to give are recognized as support in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Promises to give are detailed in the following schedule:

	August 31,	
	2020	2019
Receivable in less than one year	\$ 37,154	\$ 29,927
Receivable in one to five years	42,353	10,000
	<u>\$ 79,507</u>	<u>\$ 39,927</u>

**DONATED MATERIALS AND SUPPORT**

The Organization receives food donations each year to help support the hungry preschool, elementary, and middle school children living in Chapel Hill and Carrboro, North Carolina. The amount of this support is \$202,719 and \$196,453, for the years ended August 31, 2020 and 2019, respectively.

**NET ASSETS**

Net assets with donor restriction at August 31, 2020 and 2019, are restricted for new space and the Capacity Building Phase II, which includes consulting, communications, and IT support.

	2020	2019
	Purpose/Time Restricted	Purpose/Time Restricted
Space	\$ 218,177	\$ 95,000
Capacity Building Phase II	1,701	13,256
	<u>\$ 219,878</u>	<u>\$ 108,256</u>

## TABLE MINISTRIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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**NET ASSETS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The amounts released during the years ended August 31, 2020 and 2019, were \$66,555 and \$1,744, respectively.

As of August 31, 2020, the board has designated \$55,000 for new space. This amount is included with net assets without donor restrictions.

**LEASES**

The Organization entered into a lease for office space beginning February 2019 and ending January 2020. In 2019, the lease was extended for an additional 17-month period through June 30, 2021, at the same base rent of \$3,000 per month. Rent expense under the office space lease agreement totaled \$36,000 for each year ended August 31, 2020 and 2019.

The Organization leases parking spaces on a month-to-month basis with payments totaling \$110 per month. Rent expense for the parking spaces totaled \$2,124, for the year ended August 31, 2019. No rent was paid for parking spaces in the year ended August 31, 2020.

The Organization entered into a copier lease beginning August 2015 and ending July 2020. Monthly payments total \$110. In the prior year the Organization entered into a new lease beginning April 2019 and ending July 2024. Monthly payments total \$301. The new lessor paid the Organization a lump sum to cover the remaining payments on the prior lease. The amount received is included in accounts payable and accrued expenses, and is being amortized as the prior lease payments become due. Rent expense under these lease agreements, net of the reimbursement, totaled \$3,612 and \$1,506, for the years ended August 31, 2020 and 2019, respectively.

Minimum lease payments under the lease agreements are as follows:

<u>Year Ended August 31,</u>	<u>Amount</u>
2021	\$ 33,615
2022	3,615
2023	3,615
2024	<u>3,012</u>
Total minimum future payments	<u>\$ 43,857</u>

**NOTES PAYABLE**

In May 2020, the Organization was granted a loan (the "loan") from a financial institution in the amount of \$39,995, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted in March 2020. The loan, which was in the form of a note, matures on May 2022 and bears interest at a rate of 1% per annum. The loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. The loan and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for qualifying expenses over the 24-week period. The amount of loan forgiveness may be reduced under certain circumstances as described in the loan agreement.

**TABLE MINISTRIES, INC.****NOTES TO FINANCIAL STATEMENTS**

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**NOTES PAYABLE (CONTINUED)**

The Organization intends to use the entire loan amount for qualifying expenses. At August 31, 2020, the outstanding loan balance is \$39,995.

Subsequent to signing the original loan agreement, the Small Business Administration (“SBA”) issued additional guidelines giving the Organization 10 months from the last day of the 24-week covered period to apply for loan forgiveness. Once the application is submitted, the lender has 60 days to act on the application and forward its recommendation to the SBA, who then has 90 days to act on that recommendation and remit the forgiveness proceeds to the lender, at which point the payments on the unforgiven balance, if any, of the loan would begin. If the Organization does not apply for loan forgiveness, the earliest date for commencement of payments of principal and interest is 10 months after the last day of the 24-week covered period.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Many expenses are directly assigned to the appropriate function as they are incurred. Certain costs have been allocated among the programs and supporting services benefited based on management’s estimates. The expenses that are allocated include occupancy, insurance, office supplies, information technology, miscellaneous, depreciation, and vehicle expense, which are allocated on the basis of estimates from a historical review of the purposes of the expense category, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

**COMMITMENTS AND CONTINGENCIES**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity going forward.

**RECLASSIFICATIONS**

Certain reclassifications have been made to the 2019 financial statements in order to conform to 2020 presentation. Such reclassifications had no effect on net assets.

**SUBSEQUENT EVENT**

Management has evaluated subsequent events for recognition or disclosure through February 15, 2021, which is the date that the financial statements were available to be issued, and determined there were no events that require disclosure.