

THE BIG TABLE

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to the Financial Statements.....	7-13

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 statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Big Table as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Big Table and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Big Table'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 auditors' 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, including omissions, 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.

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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 Big Table'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 Big Table'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.

Frucci and Associates

Spokane, Washington
June 13, 2024

THE BIG TABLE
STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	Assets	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 645,087	\$ 1,660,954
Investments	773,331	-
Beneficial interest in assets held by Innovia Foundation	106,871	91,940
Prepaid expenses	3,853	5,653
	<u>1,529,142</u>	<u>1,758,547</u>
Total current assets	1,529,142	1,758,547
Right-of-Use asset	405,666	407,513
Property and equipment		
Furniture and equipment	66,047	66,047
Accumulated depreciation and amortization	(32,021)	(26,527)
	<u>34,026</u>	<u>39,520</u>
Net property and equipment	34,026	39,520
Total assets	\$ 1,968,834	\$ 2,205,580
	Liabilities and Net Assets	
Current liabilities		
Accounts payable and accrued expenses	\$ 3,005	\$ 19,491
Deferred revenue	7,478	33,551
Lease liability, short-term	70,255	52,176
	<u>80,738</u>	<u>105,218</u>
Total current liabilities	80,738	105,218
Lease liability, less short-term allocation	<u>346,769</u>	<u>359,526</u>
Total liabilities	427,507	464,744
Net assets		
Without donor restrictions	1,305,391	1,293,939
With donor restrictions	235,936	446,897
	<u>1,541,327</u>	<u>1,740,836</u>
Total net assets	1,541,327	1,740,836
Total liabilities and net assets	\$ 1,968,834	\$ 2,205,580

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

**THE BIG TABLE
STATEMENTS OF ACTIVITIES**

For the years ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support						
Public support	\$ 1,527,460	\$ 69,702	\$ 1,597,162	\$ 1,005,890	\$ 418,527	\$ 1,424,417
Fundraising	570,166	-	570,166	552,339	-	552,339
Investment income	47,094	-	47,094	8,634	-	8,634
Gain (loss) on sale of assets	-	-	-	(3,807)	-	(3,807)
Revenue released from restrictions	280,663	(280,663)	-	195,238	(195,238)	-
Total revenue and other support	2,425,383	(210,961)	2,214,422	1,758,294	223,289	1,981,583
Expenses						
Program	2,015,980	-	2,015,980	1,725,067	-	1,725,067
Management and general	282,554	-	282,554	244,732	-	244,732
Fundraising	115,397	-	115,397	84,272	-	84,272
Total expenses	2,413,931	-	2,413,931	2,054,071	-	2,054,071
Change in net assets	11,452	(210,961)	(199,509)	(295,777)	223,289	(72,488)
Net assets, beginning of year	1,293,939	446,897	1,740,836	1,589,716	223,608	1,813,324
Net assets, end of year	\$ 1,305,391	\$ 235,936	\$ 1,541,327	\$ 1,293,939	\$ 446,897	\$ 1,740,836

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

THE BIG TABLE
STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023 and 2022

	2023				2022			
	Program Activities	Management and General	Fundraising	Total	Program Activities	Management and General	Fundraising	Total
Personnel expenses	\$ 1,274,105	\$ 73,919	\$ -	\$ 1,348,024	\$ 1,087,778	\$ 72,148	\$ -	\$ 1,159,926
Other employee benefits	87,548	16,676	-	104,224	87,478	16,662	-	104,140
Payroll taxes	91,535	17,435	-	108,970	73,748	14,047	-	87,795
Direct care expenses	277,653	52,886	-	330,539	219,158	41,744	-	260,902
General and administrative	140,277	46,758	109,291	296,326	126,815	42,271	80,618	249,704
Occupancy	80,784	27,061	-	107,845	86,842	27,550	-	114,392
Development expenses	6,106	28,496	6,106	40,708	3,654	17,052	3,654	24,360
Depreciation	4,121	1,373	-	5,494	3,517	1,172	-	4,689
Other	53,851	17,950	-	71,801	36,077	12,086	-	48,163
Total expenses	<u>\$ 2,015,980</u>	<u>\$ 282,554</u>	<u>\$ 115,397</u>	<u>\$ 2,413,931</u>	<u>\$ 1,725,067</u>	<u>\$ 244,732</u>	<u>\$ 84,272</u>	<u>\$ 2,054,071</u>

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

THE BIG TABLE
STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (199,509)	\$ (72,488)
Adjustments to reconcile changes in assets to net cash:		
Depreciation and amortization expense	5,494	4,689
Amortization of right-of-use asset	56,926	33,968
Change in value of beneficial interest in assets held by Innovia	(14,931)	(44,148)
(Increase) decrease in assets:		
Prepaid expenses	1,800	(903)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(16,486)	16,294
Deferred revenue	(26,073)	28,531
Lease liability	(49,757)	(29,779)
	<u>(242,536)</u>	<u>(63,836)</u>
Net cash used by operating activities	(242,536)	(63,836)
Cash flows from investing activities		
Purchases of property and equipment	-	(7,242)
Purchases of investments	(773,331)	-
	<u>(773,331)</u>	<u>(7,242)</u>
Net cash used by investing activities	(773,331)	(7,242)
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(1,015,867)	(71,078)
Cash and cash equivalents, beginning of year	1,660,954	1,732,032
Cash and cash equivalents, end of year	\$ 645,087	\$ 1,660,954
Non-cash supplemental information:		
Lease liability for right-of-use asset	<u>\$ 55,079</u>	<u>\$ 441,481</u>

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

THE BIG TABLE NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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; Nashville, Tennessee; Colorado Springs, Colorado, and San Diego, California. There are also satellite offices in the metropolitan areas of the office locations.

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 \$59,407 in cash balances in excess of federally-insured limits as of December 31, 2023.

Investments

As of December 31, 2023, Big Table’s investments consist of two certificates of deposit (CDs) with an original maturity of more than 90 days and mature during 2024. Accordingly, the CDs are classified as a short-term investment.

There were no unrealized gains or losses on the CDs as of December 31, 2023, as the investment is carried at cost plus earnings reinvested into the account, which approximates fair value.

THE BIG TABLE NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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.

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

Advertising

Advertising and marketing costs are charged to expense as incurred. Marketing and promotion costs totaled \$27,851 and \$12,856 in 2023 and 2022, respectively.

Income Taxes

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

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 \$2,500 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.

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.

THE BIG TABLE NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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 (with the exception of investments) or liabilities on the statements of financial position approximate their fair values due to the short-term nature of the assets or liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used as of December 31, 2023 and 2022:

Certificates of Deposit – The CDs held by Big Table are valued at cost, which approximates fair value due to their short-term nature. The fair value measurement is based on observable inputs, including the interest rates for similar instruments in active markets.

Beneficial Interests in Assets Held by Innovia Foundation – Valued at fair value based on unadjusted quoted market prices of the underlying investments.

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 Big Table believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**THE BIG TABLE
NOTES TO THE FINANCIAL STATEMENTS**

For the years ended December 31, 2023 and 2022

The following tables disclose, by level within the fair value hierarchy, Big Table’s assets measured and reported on the statements of financial position at fair value on a recurring basis as of December 31, 2023 and 2022, respectively:

2023				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 773,331	\$ -	\$ 773,331
Beneficial Interest in Assets Held by Innovia Foundation	-	-	106,871	106,871
Total	-	\$ 773,331	\$ 106,871	\$ 880,202

2022				
	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets Held by Innovia Foundation	\$ -	\$ -	\$ 91,940	\$ 91,940

The following sets forth a summary for the years ended December 31, 2023 and 2022 of changes in the fair value of the beneficial interest in assets held by Innovia Foundation, the organization’s Level 3 asset:

	2023	2022
Balance – Beginning of the Year	\$ 91,940	\$ 47,892
Additions	-	40,000
Change in Value, Net	14,931	4,048
Balance – End of the Year	\$ 106,871	\$ 91,940

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.

Leases

Big Table determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Big Table does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

THE BIG TABLE NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

Subsequent Events

Management has evaluated subsequent events through June 13, 2024, which is the date these financial statements were available to be issued.

Note 3 – Leases

Big Table evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent Big Table's right to use underlying assets for the lease term, and the lease liabilities represent Big Table's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. Big Table has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023 and 2022 was 1.73% and 2.66%, respectively.

Big Table's operating leases consist primarily of real estate leases for three suites of office space located in Spokane and additional spaces in California, Tennessee, and Colorado (effective in 2023). The Spokane lease includes two four-year extensions, available at Big Table's option, which it is reasonably certain to exercise. Therefore, the payments associated with the extension are included in the ROU asset and the lease liability recognized as of December 31, 2023. The Colorado lease does not include an option to extend, and as such the payments for the ROU asset and the lease liability are through the term of the lease. The other leases that were effective in 2023 are considered to be short-term and not included on the statement of financial position.

For the years ended December 31, 2023 and 2022, total operating lease costs were \$107,845 and \$114,392, respectively, and total short-term lease costs were approximately \$35,000 and \$53,000, respectively. As of December 31, 2023 and 2022, the weighted-average remaining lease terms for the Big Table's operating leases were approximately 7 years.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending December 31:

2024	\$	80,723
2025		66,293
2026		64,760
2027		64,836
2028		64,836
Thereafter		<u>113,462</u>
Total lease payments		454,910
Less present value discount		<u>(37,886)</u>
Total lease obligations		417,024
Less short-term portion of lease liability		<u>(70,255)</u>
Long-term portion of lease liability	\$	<u><u>346,769</u></u>

THE BIG TABLE NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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 for two consecutive years and are eligible for enrollment after at least one year of employment. Enrollment is allowed in January. Employer contributions were \$19,383 and \$26,111 for the years ended December 31, 2023 and 2022, 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. Additional contributions of approximately \$70,000 were received since the Fund was established.

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. During 2023 and 2022, there were no funds transferred from the Fund to operations.

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, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 645,087	\$ 1,660,954
Investments	<u>773,331</u>	-
Total financial assets	<u>1,418,418</u>	1,660,954
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>235,936</u>	446,897
Financial assets available to meet general expenditures within one year	<u>\$ 1,182,482</u>	<u>\$ 1,214,057</u>

THE BIG TABLE
NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

Note 7 – Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Direct assistance	\$ 14,413	\$ 31,079
Housing assistance	27,963	100,000
Expansion	168,779	293,437
Dental and health assistance	16,585	14,185
Staff development	5,000	-
Colorado expansion	-	5,000
Technology grant	1,444	1,444
Videos for events	1,752	1,752
Net assets with donor restrictions	<u>\$ 235,936</u>	<u>\$ 446,897</u>