

SO ALL MAY EAT, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

SO ALL MAY EAT, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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March 31, 2020

Independent Auditors' Report

Board of Directors
So All May Eat, Inc.
Denver, Colorado

We have audited the accompanying financial statements of **So All May Eat, Inc.** (a Colorado nonprofit corporation), which comprise the 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, 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 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the 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 So All May Eat, Inc. as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited So All May Eat's 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated March 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

SO ALL MAY EAT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

| | 2019 | 2018 |
|---------------------------------------|------------|------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 353,612 | \$ 254,589 |
| Donations receivable | 7,369 | 20,395 |
| Grants receivable | 10,000 | - |
| Prepaid expenses | 2,978 | 8,340 |
| Food inventory | 3,000 | 2,500 |
| Property and equipment (Note 3) | 40,269 | 37,000 |
| | \$ 417,228 | \$ 322,824 |
| <u>Liabilities and net assets</u> | | |
| <u>Liabilities</u> | | |
| Accounts payable | \$ 6,146 | \$ 7,104 |
| Accrued payroll costs | 9,843 | 3,722 |
| Commitments (Note 4) | | |
| | 15,989 | 10,826 |
| <u>Net assets</u> | | |
| Without donor restrictions | 379,983 | 238,127 |
| With donor restrictions (Note 5) | 21,256 | 73,871 |
| | 401,239 | 311,998 |
| Total net assets | | |
| | \$ 417,228 | \$ 322,824 |

The accompanying notes are an integral part of these financial statements

SO ALL MAY EAT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

| | 2019 | | | 2018 |
|--|-------------------------------|----------------------------|-------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| <u>Revenue and other support</u> | | | | |
| Individual and board contributions | \$ 270,827 | \$ 180 | \$ 271,007 | 211,315 |
| Foundation and corporate awards | 107,025 | 100,450 | 207,475 | 154,545 |
| Special event income | 80,588 | - | 80,588 | 45,687 |
| Less direct event expenses | (14,590) | - | (14,590) | (3,589) |
| Food sales - tokens | 3,736 | - | 3,736 | 5,324 |
| Interest income | 116 | - | 116 | 127 |
| Other | 5 | - | 5 | 1,098 |
| In-kind donations (Note 6) | 45,770 | - | 45,770 | 32,941 |
| Net assets released from donor restrictions (Note 7) | 153,245 | (153,245) | - | - |
| Total revenue and other support | <u>646,722</u> | <u>(52,615)</u> | <u>594,107</u> | <u>447,448</u> |
| <u>Expenses</u> | | | | |
| Program services | 387,102 | - | 387,102 | 248,258 |
| Supporting services | | | | |
| Management and general | 67,947 | - | 67,947 | 37,210 |
| Fund-raising | 49,817 | - | 49,817 | 27,362 |
| Total expense | <u>504,866</u> | <u>-</u> | <u>504,866</u> | <u>312,830</u> |
| Change in net assets | 141,856 | (52,615) | 89,241 | 134,618 |
| Net assets, beginning of year | <u>238,127</u> | <u>73,871</u> | <u>311,998</u> | <u>177,380</u> |
| Net assets, end of year | <u>\$ 379,983</u> | <u>\$ 21,256</u> | <u>\$ 401,239</u> | <u>\$ 311,998</u> |

The accompanying notes are an integral part of these financial statements

SO ALL MAY EAT, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

| | 2019 | | | 2018 | |
|--------------------------------------|----------------------------|------------------|------------------|-------------------|-------------------|
| | <u>Supporting Services</u> | | | | |
| | Program | Management | Fund- | Total | Total |
| | Services | and General | raising | | |
| Salaries, payroll taxes and benefits | \$ 243,300 | \$ 47,090 | \$ 23,546 | \$ 313,936 | \$ 174,281 |
| Occupancy | 42,550 | 2,300 | 1,150 | 46,000 | 40,600 |
| Food | 41,137 | - | - | 41,137 | 23,725 |
| Development coordinator | - | - | 20,000 | 20,000 | 17,500 |
| Utilities | 10,634 | 885 | 296 | 11,815 | 10,606 |
| Marketing | 8,761 | - | 2,190 | 10,951 | 1,134 |
| Café supplies | 8,392 | - | - | 8,392 | 3,183 |
| Sales taxes | 7,141 | - | - | 7,141 | 4,743 |
| Repairs | 6,713 | - | - | 6,713 | 6,680 |
| Professional fees | - | 6,412 | - | 6,412 | 3,741 |
| Insurance | - | 5,639 | - | 5,639 | 1,473 |
| Equipment | 3,266 | - | - | 3,266 | 2,499 |
| Travel | 2,410 | 201 | 67 | 2,678 | 2,680 |
| Food truck program | 2,007 | - | - | 2,007 | 1,374 |
| Indirect fundraising | - | - | 1,768 | 1,768 | 1,529 |
| Dues and subscriptions | 845 | 844 | - | 1,689 | 680 |
| Meals and entertainment | - | 1,342 | 336 | 1,678 | 402 |
| Training | 545 | 817 | - | 1,362 | 3,503 |
| Office supplies | 194 | 678 | 97 | 969 | 386 |
| Licenses and permits | 581 | 145 | - | 726 | 320 |
| Postage | - | 61 | 61 | 122 | 98 |
| Loss on sale of donated RV | - | - | - | - | 8,005 |
| Food tokens | - | - | - | - | 2,880 |
| Bank fees | - | - | - | - | 114 |
| Other | 1,226 | 1,533 | 306 | 3,065 | 694 |
| | <u>379,702</u> | <u>67,947</u> | <u>49,817</u> | <u>497,466</u> | <u>312,830</u> |
| Depreciation | 7,400 | - | - | 7,400 | - |
| Total expenses | <u>\$ 387,102</u> | <u>\$ 67,947</u> | <u>\$ 49,817</u> | <u>\$ 504,866</u> | <u>\$ 312,830</u> |

The accompanying notes are an integral part of these financial statements

SO ALL MAY EAT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

| | 2019 | 2018 |
|---|------------|------------|
| <u>Cash flows from operating activities</u> | | |
| Change in net assets | \$ 89,241 | \$ 134,618 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 7,400 | - |
| (Gain)loss on sale of fixed assets | - | 8,005 |
| <u>Changes in operating assets and liabilities</u> | | |
| (Increase)decrease in donations receivable | 13,026 | (16,695) |
| (Increase)decrease in grants receivable | (10,000) | 1,500 |
| (Increase)decrease in prepaid expenses | 5,362 | (2,935) |
| (Increase)decrease in food inventory | (500) | (2,500) |
| Increase(decrease) in accounts payable | (958) | 6,630 |
| Increase(decrease) in payroll accruals | 6,121 | 1,299 |
| Net cash provided(used) by operating activities | 109,692 | 129,922 |
| <u>Cash flows from investing activities</u> | | |
| Proceeds from sale of property and equipment | - | 1,995 |
| (Purchase) of property and equipment | (10,669) | (37,000) |
| Net cash provided(used) by investing activities | (10,669) | (35,005) |
| Net increase(decrease) in cash and cash equivalents | 99,023 | 94,917 |
| Cash and cash equivalents, beginning of year | 254,589 | 159,672 |
| Cash and cash equivalents, end of year | \$ 353,612 | \$ 254,589 |

The accompanying notes are an integral part of these financial statements

SO ALL MAY EAT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

So All May Eat, Inc. (the Organization) was founded in 2006. The Organization is a nonprofit corporation founded under the laws of the State of Colorado. The Organization's mission is serving good food for the greater good. It is the Organization's intent to build a healthy community by providing access to healthy food in a dignified manner to everyone, regardless of ability to pay. The Organization is supported primarily by individual donors and foundations.

In 2019, So All May Eat, Inc. served over 20,000 meals and launched two new work programs to include the SAME Café Food Truck to reach food insecure people who cannot walk to SAME Café and Cook to Work, a flexible employment training program to provide restaurant skills to participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of So All May Eat, Inc. have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulation regarding how long the contributed asset must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

3. Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less.

4. Revenue and Revenue Recognition

The Organization 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 with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment of \$1,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

6. 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.

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2019, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. Occupancy and utilities are allocated on square footage. All other expenses are allocated on a time and effort basis.

9. The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

10. Subsequent Events

Management has evaluated subsequent events through March 31, 2020, the date the report was available for distribution.

11. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| <u>Description</u> | <u>Amount</u> |
|--------------------------------|------------------|
| Food truck | \$ 37,000 |
| Work in process | <u>10,669</u> |
| Total | 47,669 |
| Less: accumulated depreciation | <u>(7,400)</u> |
| Net property and equipment | <u>\$ 40,269</u> |

Depreciation expense for the year was \$ 7,400.

NOTE 4 - COMMITMENTS

The Organization leases program and office space in Denver, Colorado. Future lease obligation payments under the agreement are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2020 | \$ 41,200 |
| 2021 | 43,600 |
| 2022 | 46,000 |
| 2023 | <u>40,000</u> |
| Total | <u>\$ 170,800</u> |

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following program purposes:

| <u>Description</u> | <u>Amount</u> |
|---------------------------------------|------------------|
| Expansion to 2 nd location | \$ 10,000 |
| Food truck program | 6,285 |
| Cook to work program | <u>4,971</u> |
| Total | <u>\$ 21,256</u> |

NOTE 6 - IN-KIND CONTRIBUTIONS

Donated goods and services are reflected in the accompanying financial statements at their estimated value at date of receipt. In-kind contributions reflected in the financial statements for the year consisted of:

| <u>Description</u> | <u>Amount</u> |
|--|------------------|
| Development Coordinator (800 hours at \$25 per hour) | \$ 20,000 |
| Food | 17,825 |
| Rent | 7,200 |
| Supplies | <u>745</u> |
| Total | <u>\$ 45,770</u> |

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

| <u>Description</u> | <u>Amount</u> |
|----------------------|-------------------|
| Food truck program | \$ 89,599 |
| Cook to work program | 55,446 |
| Purchase of ovens | <u>8,200</u> |
| Total | <u>\$ 153,245</u> |

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2019:

| | |
|---|-------------------|
| <u>Financial assets at year-end:</u> | <u>Amount</u> |
| Cash and cash equivalents | \$ 353,612 |
| Donations and grant receivable | <u>17,369</u> |
| | 370,981 |
| Less amounts not available for use within one year due to: | |
| Donor purpose restrictions | <u>(11,256)</u> |
| Financial assets available to meet cash needs for general expenditures within one year: | <u>\$ 359,725</u> |

The Organization's goal is generally to maintain financial assets to meet at least six to nine months of operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.

NOTE 9 - SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operations. However, the related financial impact and duration cannot be reasonably estimated at this time.