

**SO ALL MAY EAT, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**SO ALL MAY EAT, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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March 21, 2019

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, 2018, 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, 2018, 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 reviewed So All May Eat's 2017 financial statements, and in our report dated March 29, 2018, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2017 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are unaware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2017, for it to be consistent with the reviewed information 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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	<u>Audited</u> 2018	<u>Reviewed</u> 2017
<u>Assets</u>		
Cash and cash equivalents	\$ 254,589	\$ 159,672
Donations receivable	20,395	3,700
Grants receivable	-	1,500
Prepaid expenses	8,340	5,405
Food inventory	2,500	-
Property and equipment (Note 3)	37,000	10,000
Total assets	<u>\$ 322,824</u>	<u>\$ 180,277</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 7,104	\$ 474
Accrued payroll costs	3,722	2,423
Commitments (Note 4)		
Total liabilities	<u>10,826</u>	<u>2,897</u>
<u>Net assets</u>		
Without donor restrictions	238,127	172,691
With donor restrictions (Note 5)	73,871	4,689
Total net assets	<u>311,998</u>	<u>177,380</u>
Total liabilities and net assets	<u>\$ 322,824</u>	<u>\$ 180,277</u>

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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	Audited 2018		Reviewed 2017	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Individual and board contributions	\$ 179,185	\$ 32,130	\$ 211,315	151,083
Foundation and corporate awards	61,645	92,900	154,545	57,267
Special event income	45,687	-	45,687	26,315
Less direct event expenses	(3,589)	-	(3,589)	(854)
Food sales - tokens	5,324	-	5,324	2,962
Interest income	127	-	127	113
Gain on sale of fixed assets	-	-	-	2,867
Other	1,098	-	1,098	430
In-kind donations (Note 6)	32,941	-	32,941	17,200
Net assets released from restrictions (Note 7)	55,848	(55,848)	-	-
Total revenue and other support	<u>378,266</u>	<u>69,182</u>	<u>447,448</u>	<u>257,383</u>
<u>Expenses</u>				
Program services	248,258	-	248,258	204,233
Supporting services				
Management and general	37,210	-	37,210	18,854
Fund-raising	27,362	-	27,362	5,592
Total expense	<u>312,830</u>	<u>-</u>	<u>312,830</u>	<u>228,679</u>
Change in net assets	65,436	69,182	134,618	28,704
Net assets, beginning of year	<u>172,691</u>	<u>4,689</u>	<u>177,380</u>	<u>148,676</u>
Net assets, end of year	<u>\$ 238,127</u>	<u>\$ 73,871</u>	<u>\$ 311,998</u>	<u>\$ 177,380</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, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	Audited 2018			Reviewed 2017	
	<u>Supporting Services</u>				
	Program Services	Management And General	Fund- raising	Total	Total
Salaries, payroll taxes and benefits	\$ 148,630	\$ 19,178	\$ 23,973	\$ 191,781	\$ 147,653
Occupancy	37,555	2,030	1,015	40,600	36,600
Food	23,725	-	-	23,725	16,650
Utilities	9,545	795	266	10,606	10,353
Loss on sale of donated RV	-	8,005	-	8,005	-
Repairs	3,340	3,340	-	6,680	3,244
Sales taxes	4,743	-	-	4,743	3,353
Professional fees	3,741	-	-	3,741	910
Training	1,401	2,102	-	3,503	161
Café supplies	3,183	-	-	3,183	-
Food tokens	2,880	-	-	2,880	-
Travel	2,412	201	67	2,680	1,729
Equipment	2,499	-	-	2,499	1,030
Indirect fundraising	-	-	1,529	1,529	1,732
Insurance	1,326	110	37	1,473	1,797
Food truck program	1,374	-	-	1,374	-
Marketing	907	-	227	1,134	1,391
Dues and subscriptions	340	340	-	680	-
Meals and entertainment	-	322	80	402	235
Office supplies	77	270	39	386	714
Licenses and permits	256	64	-	320	476
Bank fees	46	57	11	114	57
Postage	-	49	49	98	494
Other	278	347	69	694	100
<b>Total expenses</b>	<b><u>\$ 248,258</u></b>	<b><u>\$ 37,210</u></b>	<b><u>\$ 27,362</u></b>	<b><u>\$ 312,830</u></b>	<b><u>\$ 228,679</u></b>

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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	<u>Audited</u> 2018	<u>Reviewed</u> 2017
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 134,618	\$ 28,704
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Gain)loss on sale of fixed assets	8,005	(2,867)
Donated fixed assets	-	(10,000)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in donations receivable	(16,695)	(3,700)
(Increase)decrease in grants receivable	1,500	(1,500)
(Increase)decrease in prepaid expenses	(2,935)	(4,555)
(Increase)decrease in food inventory	(2,500)	-
Increase(decrease) in accounts payable	6,630	(921)
Increase(decrease) in payroll accruals	<u>1,299</u>	<u>(3,352)</u>
Net cash provided(used) by operating activities	<u>129,922</u>	<u>1,809</u>
<u>Cash flows from investing activities</u>		
Proceeds from sale of property and equipment	1,995	7,749
(Purchase) of property and equipment	<u>(37,000)</u>	<u>-</u>
Net cash provided(used) by financing activities	<u>(35,005)</u>	<u>7,749</u>
Net increase(decrease) in cash and cash equivalents	94,917	9,558
Cash and cash equivalents, beginning of year	<u>159,672</u>	<u>150,114</u>
Cash and cash equivalents, end of year	<u><u>\$ 254,589</u></u>	<u><u>\$ 159,672</u></u>

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, 2018**

**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. will be expanding its programming to include a SAME Café Food Truck outreach program and the Cook to Work employment training program.

**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.

**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.

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

4. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a 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.

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.

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, 2018, 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, 2017, from which the summarized information was derived.

10. Subsequent Events

Management has evaluated subsequent events through March 21, 2019, the date the report was available for distribution.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Food truck	\$ 37,000
Less: accumulated depreciation	<u>          -</u>
Net property and equipment	<u>\$ 37,000</u>

Depreciation expense for the year was \$0.

During the year, the Organization purchased a food truck, but the truck was not put into service until 2019.

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>
2019	\$ 38,800
2020	41,200
2021	43,600
2022	46,000
2023	<u>40,000</u>
Total	<u>\$ 209,600</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>
Food truck program	\$ 70,954
Cook to work program	<u>2,917</u>
Total	<u>\$ 73,871</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 (700 hours at \$25 per hour)	\$ 17,500
Rent	7,200
Food	5,924
Supplies	<u>2,317</u>
Total	<u>\$ 32,941</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	\$ 38,365
Cook to work program	<u>17,483</u>
Total	<u>\$ 55,848</u>

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 254,589
Donations receivable	<u>20,395</u>
	274,984
Less amounts not available for use within one year due to:	
Donor purpose restrictions	<u>73,871</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 201,113</u>

The Organization's goal is generally to maintain financial assets to meet at least one year of operating expenses.

NOTE 9 - CONCENTRATION OF CASH

The Organization keeps its cash in one financial institution. As of year-end, the cash balance of \$259,511 exceeds the \$250,000 FDIC limit. Management has evaluated its banking needs and feels it is in the best long-term interest of the Organization to continue its existing banking relationship.