GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Store to Door

Financial Statements and Other Information
as of and for the Year Ended December 31, 2016
and Independent Accountants' Review Report

STORE TO DOOR

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Store to Door:

We have reviewed the accompanying financial statements of Store to Door, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying December 31, 2016 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

Summarized Comparative Information

The accompanying 2015 summarized comparative information has been derived from the financial statements of Store to Door as of December 31, 2015. The 2015 financial statements were reviewed by us, and in our report dated February 18, 2016, we stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States.

Gary McGee & Co. LLP

February 13, 2017

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S T O R E T O D O O R

STATEMENT OF FINANCIAL POSITION

D E C E M B E R 3 1 , 2 0 1 6

(W I T H C O M P A R A T I V E A M O U N T S F O R 2 0 1 5)

		2016	2015
Assets:			
Cash	$	344,022	286,767
Accounts receivable		574	1,027
Contributions and grants receivable *(note 3)*		25,431	31,532
Gift card inventory		576	–
Capital assets *(note 4)*		23,057	24,168
Total assets	$	393,660	343,494
Liabilities:			
Accounts payable and accrued expenses		1,290	–
Accrued payroll liabilities		2,452	4,035
Total liabilities		3,742	4,035
Net assets:			
Unrestricted:			
Available for programs and general operations		157,851	255,651
Designated by the Board for operating reserves *(note 5)*		150,007	–
Net investment in capital assets		23,057	24,168
Total unrestricted		330,915	279,819
Temporarily restricted *(note 5)*		59,003	59,640
Total net assets		389,918	339,459
Commitments *(note 8)*			
Total liabilities and net assets	$	393,660	343,494

See independent accountants' review report and accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR 2015)

	2016			
	Unrestricted	Temporarily restricted	Total	2015
Revenues, gains, and other support:				
Contributions	$ 283,724	77,000	360,724	391,555
In-kind contributions	15,027	–	15,027	9,001
Special event, net of direct costs of $19,331 in 2015	–	–	–	23,479
Delivery income	56,581	–	56,581	58,764
Customer receipts	405,009	–	405,009	388,273
Gift card discount	23,809	–	23,809	21,908
Coupon revenue	9,184	–	9,184	9,165
Interest income	32	–	32	26
Loss on disposal of capital assets	(1,517)	–	(1,517)	–
Other revenue	50	–	50	89
Total revenues and gains	791,899	77,000	868,899	902,260
Net assets released from restrictions *(note 6)*	77,637	(77,637)	–	–
Total revenues, gains, and other support	869,536	(637)	868,899	902,260
Expenses *(note 7)***:**				
Program services	637,692	–	637,692	620,189
Supporting services:				
Management and general	73,533	–	73,533	63,686
Fundraising	107,215	–	107,215	83,608
Total expenses	818,440	–	818,440	767,483
Increase (decrease) in net assets	51,096	(637)	50,459	137,777
Net assets at beginning of year	279,819	59,640	339,459	204,682
Net assets at end of year	$ 330,915	59,003	389,918	339,459

See independent accountants' review report and accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

		2016				
		Program services	Management and general	Fundraising	Total	2015
Payroll and related expenses	$	185,626	47,414	78,954	311,994	286,766
Professional services		–	15,259	2,500	17,759	21,672
Market purchases		404,816	–	–	404,816	390,056
Occupancy		9,344	2,387	3,974	15,705	12,777
Office supplies		4,192	1,405	1,783	7,380	4,035
Telephone		1,979	505	842	3,326	3,797
Equipment lease and maintenance		406	104	172	682	1,633
Insurance		3,233	826	1,375	5,434	7,199
Vehicle expense		8,182	–	–	8,182	6,465
Postage and delivery		3,478	888	1,480	5,846	6,012
Printing and publications		2,918	618	1,158	4,694	7,426
Provision for doubtful collection of receivables		762	–	–	762	609
Donor cultivation		–	–	3,637	3,637	931
Marketing		1,493	–	8,258	9,751	2,065
Other		8,842	3,509	2,052	14,403	12,264
Total expenses before depreciation		635,271	72,915	106,185	814,371	763,707
Depreciation		2,421	618	1,030	4,069	3,776
Total expenses	$	637,692	73,533	107,215	818,440	767,483

See independent accountants' review report and accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR 2015)

	2016	2015
Cash flows from operating activities:		
Cash received from contributors	$ 366,825	422,833
Cash received from service recipients	470,465	455,536
Other receipts	50	89
Interest income	32	26
Cash paid to employees and suppliers	(775,642)	(744,558)
Net cash provided by operating activities	61,730	133,926
Cash flows from investing activities:		
Purchases of property and equipment	(4,475)	(20,224)
Net cash used in investing activities	(4,475)	(20,224)
Cash flows from financing activities:		
Contributions restricted for capital acquisition	–	10,000
Net cash provided by financing activities	–	10,000
Net increase in cash	57,255	123,702
Cash at beginning of year	286,767	163,065
Cash at end of year	$ 344,022	286,767

See independent accountants' review report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. Organization

Store to Door is a private nonprofit corporation founded in 1989. Its mission is to support independent living for Portland area seniors and adults with disabilities by providing an affordable, personal, volunteer-based grocery shopping and delivery service. The goals are to: 1) help more homebound seniors and adults with disabilities maintain their independence; 2) increase their social supports; and 3) access additional low-cost or no-cost services that support aging-in-place. Store to Door's vision is for the Portland area to be a community where all seniors and people with disabilities are nourished, included and can age with dignity in a setting of their own choice.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – The organization has adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 958-605, *Revenue Recognition* and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions of Long-Lived Assets – Contributions of equipment and furnishings without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire equipment and furnishings with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – Consistent with the requirements of with FASB ASC No. 958-605, *Revenue Recognition*, significant services received which create or enhance a nonfinancial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities. During the year ended December 31, 2016, $7,876 in contributed services were recorded.

In addition, the organization regularly receives contributed services from a large number of volunteers who assist in program activities and other efforts through their participation in a range of events and by working with staff in a variety of capacities. The organization's management estimates that volunteers donated approximately 17,182 hours of services during the year ended December 31, 2016, representing a value of approximately $404,796. However, consistent with FASB ASC No. 958-605, *Revenue Recognition*, the value of such services has not been recognized in the accompanying financial statements.

In-kind contributions of property, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the organization's activities. During the year ended December 31, 2016, the organization recorded $7,151 in contributions of materials and equipment.

Capital Assets and Depreciation – Equipment, furnishings, and vehicles are carried at cost, and initially at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, generally ten years for furniture and vehicles and three to seven years for equipment.

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Service revenues are recognized at the time services are provided and the revenues are earned. The organization receives full reimbursement from its customers for the cost of each grocery order, plus a modest delivery charge.

Advertising Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Income Taxes – The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – As required by FASB ASC No. 855-10, *Subsequent Events*, subsequent events have been evaluated by management through February 13, 2017, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2015 – The accompanying financial information as of and for the year ended December 31, 2015 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Contributions and Grants Receivable

Contributions and grants receivable represent unconditional promises totaling $25,431, which are expected to be collected in less than one year.

Conditional Gifts

At December 31, 2016, the organization held three gifts totaling $60,000, conditioned upon the grantors' approval of required financial and program reports.

In addition, at December 31, 2016, the organization held another conditional gift totaling $25,000, conditioned upon the occurrence of a special event to be held in 2017.

4. Capital Assets

Capital assets at December 31, 2016 primarily consist of vehicles, furnishings, and other office equipment, as follows:

Equipment	$	22,290
Vehicles		6,839
Furnishings		35,695
		64,824
Less accumulated depreciation		(41,767)
	$	23,057

5. Restrictions and Limitations on Net Asset Balances

Board-designated net assets:

As of December 31, 2016, the Board of Directors had designated $150,007 in unrestricted net assets as operating reserves.

Temporarily restricted net assets:

At December 31, 2016, the organization held $59,003 in temporarily restricted net assets, representing grants restricted by donors, as follows:

Volunteer outreach coordinator position	$	30,622
Encore Fellows program		17,381
Future periods		11,000
	$	59,003

6. Net Assets Released from Restrictions

Net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors totaled $77,637 for the year ended December 31, 2016.

7. Expenses

The costs of providing the various programs and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by natural classification are presented in the statement of functional expenses.

8. Operating Lease

The organization leases its office space, as well as certain office equipment, under non-cancellable lease agreements that expire on various dates through February 28, 2021.

Minimum future lease payments under these operating leases as of December 31, 2016 are as follows:

Years ending December 31,		
2017	$	15,540
2018		16,740
2019		8,940
2020		540
2021		90
	$	41,850

Payments for these leases for the year ended December 31, 2016 totaled $14,274.

9. Reconciliation of Statement of Cash Flows

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	$	50,459
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		4,069
Provision for doubtful collection of receivables		762
Loss on disposal of capital assets		1,517
Net changes in:		
Accounts receivable		(309)
Grants receivable		6,101
Gift card inventory		(576)
Accounts payable and accrued expenses		1,290
Accrued payroll liabilities		(1,583)
Total adjustments		11,271
Net cash provided by operating activities	$	61,730

■

GOVERNING BOARD AND MANAGEMENT

Board of Directors

Michael Brine, *President*

Michelle Carew, *Vice President*

Becky Blumer, *Treasurer*

Michael Beaty, *Secretary*

Marcia Blasen

Michael Edgel

Sharon Gueck

Kirsten Jacobs

Marv Kuperstein

Jennifer Newton

Jean Pierce

Eumi Wymbs

Anne Woodbury

Management

Kiersten Ware
Executive Director

Marianne Taylor
Development Director

INQUIRIES AND OTHER INFORMATION

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