GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

# Store to Door

Financial Statements and Other Information
as of and for the Year Ended December 31, 2017
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, 2017, 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, 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

*Summarized Comparative Information*

The accompanying 2016 summarized comparative information has been derived from the financial statements of Store to Door as of December 31, 2016. The 2016 financial statements were reviewed by us, and in our report dated February 13, 2017, 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, 2018

808 SW Third Avenue, Suite 700 Portland, Oregon 97204 p: 503 222 2515 f: 503 222 6401 www.garymcgee.com

STORE TO DOOR

# STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(WITH COMPARATIVE AMOUNTS FOR 2016)

| | | 2017 | 2016 |
|---|---|---|---|
| **Assets:** | | | |
| Cash | $ | 457,307 | 344,022 |
| Accounts receivable | | 848 | 574 |
| Contributions and grants receivable *(note 3)* | | 37,446 | 25,431 |
| Gift card inventory | | 1,340 | 576 |
| Prepaid expenses | | 3,000 | – |
| Capital assets *(note 4)* | | 22,373 | 23,057 |
| Total assets | $ | 522,314 | 393,660 |
| **Liabilities:** | | | |
| Accounts payable and accrued expenses | | 2,392 | 1,290 |
| Accrued payroll liabilities | | 2,446 | 2,452 |
| Deferred revenue | | 3,250 | – |
| Total liabilities | | 8,088 | 3,742 |
| **Net assets:** | | | |
| Unrestricted: | | | |
| Available for programs and general operations | | 267,758 | 157,851 |
| Designated by the Board for operating reserves *(note 5)* | | 150,052 | 150,007 |
| Net investment in capital assets | | 22,373 | 23,057 |
| Total unrestricted | | 440,183 | 330,915 |
| Temporarily restricted *(note 5)* | | 74,043 | 59,003 |
| Total net assets | | 514,226 | 389,918 |
| Commitments *(notes 5 and 8)* | | | |
| Total liabilities and net assets | $ | 522,314 | 393,660 |

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

STORE TO DOOR

# STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

(WITH COMPARATIVE TOTALS FOR 2016)

| | 2017 | | | |
|---|---|---|---|---|
| | Unrestricted | Temporarily restricted | Total | 2016 |
| **Revenues, gains, and other support:** | | | | |
| Contributions | $ 329,591 | 103,556 | 433,147 | 360,724 |
| In-kind contributions | 21,473 | – | 21,473 | 15,027 |
| Special event, net of direct costs of $18,427 in 2017 | 47,858 | – | 47,858 | – |
| Delivery income | 58,695 | – | 58,695 | 56,581 |
| Customer receipts | 452,349 | – | 452,349 | 405,009 |
| Gift card discount | 26,214 | – | 26,214 | 23,809 |
| Coupon revenue | 13,492 | – | 13,492 | 9,184 |
| Interest income | 45 | – | 45 | 32 |
| Loss on disposal of capital assets | – | – | – | (1,517) |
| Other revenue | – | – | – | 50 |
| Total revenues and gains | 949,717 | 103,556 | 1,053,273 | 868,899 |
| Net assets released from restrictions *(note 6)* | 88,516 | (88,516) | – | – |
| Total revenues, gains, and other support | 1,038,233 | 15,040 | 1,053,273 | 868,899 |
| **Expenses** *(note 7)*: | | | | |
| Program services | 740,292 | – | 740,292 | 637,692 |
| Supporting services: | | | | |
| Management and general | 84,532 | – | 84,532 | 73,533 |
| Fundraising | 104,141 | – | 104,141 | 107,215 |
| Total expenses | 928,965 | – | 928,965 | 818,440 |
| Increase in net assets | 109,268 | 15,040 | 124,308 | 50,459 |
| Net assets at beginning of year | 330,915 | 59,003 | 389,918 | 339,459 |
| Net assets at end of year | $ 440,183 | 74,043 | 514,226 | 389,918 |

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

STORE TO DOOR

# STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

| | | 2017 | | | | |
|---|---|---|---|---|---|---|
| | | Program services | Management and general | Fundraising | Total | 2016 |
| Payroll and related expenses | $ | 225,690 | 60,646 | 73,887 | 360,223 | 311,994 |
| Professional services | | 6,583 | 11,122 | 3,229 | 20,934 | 17,759 |
| Market purchases | | 452,424 | – | – | 452,424 | 404,816 |
| Occupancy | | 9,709 | 2,609 | 3,178 | 15,496 | 15,705 |
| Office supplies | | 1,990 | 803 | 979 | 3,772 | 7,380 |
| Telephone | | 2,906 | 781 | 951 | 4,638 | 3,326 |
| Equipment lease and maintenance | | 802 | 215 | 263 | 1,280 | 682 |
| Insurance | | 3,393 | 912 | 1,111 | 5,416 | 5,434 |
| Vehicle expense | | 10,046 | – | – | 10,046 | 8,182 |
| Postage and delivery | | 3,239 | 870 | 1,060 | 5,169 | 5,846 |
| Printing and publications | | 4,043 | 1,086 | 1,324 | 6,453 | 4,694 |
| Provision for doubtful collection of receivables | | 275 | – | – | 275 | 762 |
| Donor cultivation | | – | – | 4,326 | 4,326 | 3,637 |
| Marketing | | 4,167 | – | 11,350 | 15,517 | 9,751 |
| Other | | 12,262 | 4,746 | 1,579 | 18,587 | 14,403 |
| Total expenses before depreciation | | 737,529 | 83,790 | 103,237 | 924,556 | 814,371 |
| Depreciation | | 2,763 | 742 | 904 | 4,409 | 4,069 |
| Total expenses | $ | 740,292 | 84,532 | 104,141 | 928,965 | 818,440 |

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

S T O R E  T O  D O O R

# STATEMENT OF CASH FLOWS

Y E A R  E N D E D  D E C E M B E R  3 1 ,  2 0 1 7

( W I T H  C O M P A R A T I V E  T O T A L S  F O R  2 0 1 6 )

| | 2017 | 2016 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from contributors | $ 472,240 | 366,825 |
| Cash received from service recipients | 523,987 | 470,465 |
| Other receipts | – | 50 |
| Interest income | 45 | 32 |
| Cash paid to employees and suppliers | (880,212) | (775,642) |
| Net cash provided by operating activities | 116,060 | 61,730 |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (2,775) | (4,475) |
| Net cash used in investing activities | (2,775) | (4,475) |
| Net increase in cash | 113,285 | 57,255 |
| Cash at beginning of year | 344,022 | 286,767 |
| Cash at end of year | $ 457,307 | 344,022 |

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

# NOTES TO FINANCIAL STATEMENTS



## 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. Store to Door's goals are to:

- Help more homebound seniors and adults with disabilities maintain their independence;
- Increase their social supports; and
- 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, 2017, $15,615 in contributed advertising 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 18,260 hours of services during the year ended December 31, 2017, representing a value of approximately $440,796. 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, 2017, the organization recorded $4,858 in contributions of materials and equipment, and $1,000 in contributed gift card inventory.

**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, 2018, which is the date the financial statements were available to be issued.

**Summarized Financial Information for 2016** – The accompanying financial information as of and for the year ended December 31, 2016 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 are summarized as follows at December 31, 2017.

| | | |
|---|---|---|
| *Unconditional promises expected to be collected in:* | | |
| Less than one year | $ | 27,446 |
| One year to five years | | 10,000 |
| | $ | 37,446 |

*Conditional Gifts*

At December 31, 2017, the organization held a gift in the amount of $15,000, conditioned upon the approval of quarterly reimbursement requests.

In addition, at December 31, 2017, the organization held a second conditional gift totaling $25,000, conditioned upon the occurrence of a special event to be held in 2018.

These contributions have not been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2017.

## 4. Capital Assets

Capital assets at December 31, 2017 primarily consist of vehicles, furnishings, and other office equipment, as follows:

| | | |
|---|---|---|
| Equipment | $ | 25,067 |
| Vehicles | | 6,839 |
| Furnishings | | 35,695 |
| | | 67,601 |
| Less accumulated depreciation | | (45,228) |
| | $ | 22,373 |

## 5. Restrictions and Limitations on Net Asset Balances

*Board-designated net assets:*

As of December 31, 2017, the Board of Directors had designated $150,052 in unrestricted net assets as operating reserves.

*Temporarily restricted net assets:*

At December 31, 2017, the organization held $74,043 in temporarily restricted net assets, representing grants restricted by donors, as follows:

| | | |
|---|---|---|
| Volunteer outreach coordinator position | $ | 8,089 |
| Equitable outreach project | | 30,000 |
| Program supplies | | 2,898 |
| Future periods | | 33,056 |
| | $ | 74,043 |

## 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 $88,516 for the year ended December 31, 2017.

## 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, 2017 are as follows:

| *Years ending December 31,* | |
|---|---|
| 2018 | $ 16,740 |
| 2019 | 8,940 |
| 2020 | 540 |
| 2021 | 90 |
| | $ 26,310 |

Payments for these leases for the year ended December 31, 2017 totaled $15,874.

## 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 | $ 124,308 |
| *Adjustments to reconcile increase in net assets to net cash provided by operating activities:* | |
| Depreciation | 4,409 |
| Provision for doubtful collection of receivables | 275 |
| In-kind contributions of capital assets | (950) |
| In-kind contribution of gift card inventory | (1,000) |
| *Net changes in:* | |
| Accounts receivable | (549) |
| Grants receivable | (12,015) |
| Gift card inventory | 236 |
| Prepaid expenses | (3,000) |
| Accounts payable and accrued expenses | 1,102 |
| Accrued payroll liabilities | (6) |
| Deferred revenue | 3,250 |
| Total adjustments | (8,248) |
| Net cash provided by operating activities | $ 116,060 |

■

# GOVERNING BOARD AND MANAGEMENT

**Board of Directors**

Michael Brine, *President*

Becky Blumer, *Vice President*

Mike Beaty, *Treasurer*

Marcia Blasen, *Secretary*

Michelle Carew

Michael Edgel

Jennifer Fuller

Kirsten Jacobs

Marv Kuperstein

Jennifer Newton

Jean Pierce

Eumi Wymbs

**Management**

Kiersten Ware
*Executive Director*

Elizabeth Lott
*Development Director*

## INQUIRIES AND OTHER INFORMATION

STORE TO DOOR
7730 S.W. 31st Avenue
Portland, Oregon 97219

(503) 200-3333
office@storetodoorofforegon.org

**Web**
www.storetodoorofforegon.org