GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Store to Door

Financial Statements and Other Information
as of and for the Year Ended December 31, 2018
and Independent Accountants' Review Report

STORE TO DOOR

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CERTIFIED PUBLIC ACCOUNTANTS

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, 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. 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 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

As discussed in note 3 to the financial statements, in 2018 the organization adopted FASB Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our conclusion is not modified with respect to this matter.

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Summarized Comparative Information

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

February 22, 2019

STORE TO DOOR

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(WITH COMPARATIVE AMOUNTS FOR 2017)

		2018	2017
Assets:			
Cash and cash equivalents	$	589,157	457,307
Accounts receivable		2,012	848
Contributions and grants receivable *(note 4)*		13,000	37,446
Gift card inventory		–	1,340
Prepaid expenses		7,325	3,000
Property and equipment *(note 5)*		19,743	22,373
Total assets	$	631,237	522,314
Liabilities:			
Accounts payable and accrued expenses		3,834	2,392
Accrued payroll liabilities		8,071	2,446
Deferred revenue		25,000	3,250
Total liabilities		36,905	8,088
Net assets:			
Without donor restrictions:			
Available for programs and general operations		303,837	267,758
Designated by the Board for operating reserves *(note 6)*		198,495	150,052
Net investment in capital assets		19,743	22,373
Total net assets without donor restrictions		522,075	440,183
With donor restrictions *(note 6)*		72,257	74,043
Total net assets		594,332	514,226
Commitments *(notes 4 and 9)*			
Total liabilities and net assets	$	631,237	522,314

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

STORE TO DOOR

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			
	Without donor restrictions	With donor restrictions	Total	2017
Revenues, gains, and other support:				
Contributions	$ 361,159	69,276	430,435	433,147
In-kind contributions	17,902	–	17,902	21,473
Special events, net of direct costs of $25,691 in 2018 and $18,427 in 2017	56,057	–	56,057	47,858
Delivery income	65,282	–	65,282	58,695
Customer receipts	505,027	–	505,027	452,349
Gift card discount	26,645	–	26,645	26,214
Coupon revenue	18,538	–	18,538	13,492
Interest income	986	–	986	45
Total revenues and gains	1,051,596	69,276	1,120,872	1,053,273
Net assets released from restrictions *(note 7)*	71,062	(71,062)	–	–
Total revenues, gains, and other support	1,122,658	(1,786)	1,120,872	1,053,273
Expenses *(note 8)***:**				
Program services	862,407	–	862,407	740,292
Supporting services:				
Management and general	90,008	–	90,008	84,532
Fundraising	88,351	–	88,351	104,141
Total expenses	1,040,766	–	1,040,766	928,965
Increase (decrease) in net assets	81,892	(1,786)	80,106	124,308
Net assets at beginning of year	440,183	74,043	514,226	389,918
Net assets at end of year	$ 522,075	72,257	594,332	514,226

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

STORE TO DOOR

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

		2018				
		Program services	Management and general	Fundraising	Total	2017
Payroll and related expenses	$	277,280	51,636	72,247	401,163	360,223
Professional services		5,443	23,406	1,301	30,150	20,934
Market purchases		507,844	–	–	507,844	452,424
Occupancy		11,452	2,132	2,984	16,568	15,496
Office supplies		3,651	2,763	73	6,487	3,772
Telephone		3,232	602	842	4,676	4,638
Equipment lease and maintenance		745	139	194	1,078	1,280
Insurance		4,100	764	1,068	5,932	5,416
Vehicle expense		9,668	–	–	9,668	10,046
Postage and delivery		3,036	565	791	4,392	5,169
Printing and publications		8,368	1,558	2,181	12,107	6,453
Provision for doubtful collection of receivables		950	–	–	950	275
Donor cultivation		–	–	3,330	3,330	4,326
Marketing		7,031	–	1,220	8,251	15,517
Other		16,338	5,834	1,268	23,440	18,587
Total expenses before depreciation		859,138	89,399	87,499	1,036,036	924,556
Depreciation		3,269	609	852	4,730	4,409
Total expenses	$	862,407	90,008	88,351	1,040,766	928,965

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

STORE TO DOOR

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
Cash flows from operating activities:		
Cash received from contributors	$ 558,379	472,240
Cash received from service recipients	586,733	523,987
Interest income	986	45
Cash paid to employees and suppliers	(1,012,748)	(880,212)
Net cash provided by operating activities	133,350	116,060
Cash flows from investing activities:		
Purchases of property and equipment	(1,500)	(2,775)
Net cash used in investing activities	(1,500)	(2,775)
Net increase in cash and cash equivalents	131,850	113,285
Cash and cash equivalents at beginning of year	457,307	344,022
Cash and cash equivalents at end of year	$ 589,157	457,307

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

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 people 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 people 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 – Net assets, revenues, gains and losses 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:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, Store to Door's Board of Directors may designate from net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed 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.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. At December 31, 2018, cash equivalents totaled $198,495, held in money market funds.

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.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is 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 and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates, which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised.

Unconditional contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, 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.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement the organization's programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that Store to Door would have purchased if not donated are recognized in the statement of activities. During the year ended December 31, 2018, $4,016 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 17,833 hours of services during the year ended December 31, 2018, representing a value of approximately $440,303. However, consistent generally accepted accounting principles, the value of such services has not been recognized in the accompanying financial statements.

In-kind contributions of land, buildings, 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 Store to Door's activities. During the year ended December 31, 2018, the organization recorded $13,286 in contributions of materials and equipment and $600 in contributed capital assets.

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.

Concentrations of Credit Risk – The organization's financial instruments consist primarily of cash, money market funds, and receivables, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). All checking accounts and money market deposit accounts are insured by the FDIC for up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2018, the organization held $154,860 in cash balances in excess of FDIC coverage limits.

Certain receivables also subject the organization to concentrations of credit risk. Management believes that risk with respect to these balances is minimal, due to the high credit quality of the institutions used. When necessary, receivables are reported net of an allowance for uncollectible accounts.

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 – Subsequent events have been evaluated by management through February 22, 2019, which is the date the financial statements were issued.

Summarized Financial Information for 2017 – The accompanying financial information as of and for the year ended December 31, 2017 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. Recently-Adopted Accounting Standards

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and the availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The organization implemented ASU No. 2016-14 during the 2018 fiscal year.

4. Contributions and Grants Receivable

Contributions and grants receivable are reported at fair value and are summarized as follows at December 31, 2018:

Unconditional promises expected to be collected in:		
Less than one year	$	6,500
One year to five years		6,500
	$	13,000

Conditional Gifts

At December 31, 2018, the organization held a gift in the amount of $35,000, conditioned upon the approval of quarterly reimbursement requests.

In addition, at December 31, 2018, the organization held a second conditional gift totaling $15,000, conditioned upon the approval of certain program reports.

These contributions have not been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2018.

5. Property and Equipment

A summary of property and equipment at December 31, 2018 is as follows:

Equipment	$	25,567
Vehicles		35,695
Furnishings		7,438
		68,700
Less accumulated depreciation		(48,957)
	$	19,743

6. Restrictions and Limitations on Net Asset Balances

Board-designated net assets:

As of December 31, 2018, $198,495 of the organization's net assets without donor-imposed restrictions had been designated by the Board of Directors for operating reserves.

Net assets with donor restrictions:

At December 31, 2018, the organization held $72,257 in net assets with donor-imposed restrictions, representing grants restricted by donors, as follows:

Equitable outreach project	$	20,000
Nutrition and social connection for seniors		13,000
Future periods		39,257
	$	72,257

7. Net Assets Released from Restrictions

During the year ended December 31, 2018, Store to Door incurred various expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restriction by the occurrence of other events. Accordingly, during the year, corresponding net asset reclassifications totaling $71,062 have been recorded in the accompanying statement of activities.

8. Expenses

The costs of providing the various programs and activities of Store to Door 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. Depreciation and amortization of capital assets is allocated to operating programs and supporting activities based on benefit estimates prepared by management.

Continued

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the organization and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation and amortization, and other facility-related costs, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

9. 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, 2018 are as follows:

Years ending December 31,	
2019	$ 8,940
2020	540
2021	90
	$ 9,570

Payments for these leases for the year ended December 31, 2018 totaled $16,954.

10. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at December 31, 2018:

Total financial assets available to fund general operations:	
Cash	$ 589,157
Accounts receivable	2,012
Contributions and grants receivable	13,000
	604,169
Less financial assets not available within the year ending December 31, 2019:	
Contributions and grants receivable to be collected in 1 to 5 years	(6,500)
Cash restricted by donors to the year ended December 31, 2020	(10,000)
	$ 587,669

As part of its liquidity management, Store to Door has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

11. 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	$	80,106
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		4,730
Provision for doubtful collection of receivables		950
In-kind contributions of capital assets		(600)
Net changes in:		
Accounts receivable		(2,114)
Grants receivable		24,446
Gift card inventory		1,340
Prepaid expenses		(4,325)
Accounts payable and accrued expenses		1,442
Accrued payroll liabilities		5,625
Deferred revenue		21,750
Total adjustments		53,244
Net cash provided by operating activities	$	133,350

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GOVERNING BOARD AND MANAGEMENT

Board of Directors

Michael Brine, *President*

Becky Blumer, *Vice President*

Mike Beaty, *Treasurer*

Marcia Blasen, *Secretary*

Michael Edgel

Jennifer Fuller

Kirsten Jacobs

Marv Kuperstein

Jennifer Newton

Jean Pierce

John VanDinter

Eumi Wymbs

Management

Kiersten Ware
Executive Director

Terri Wiley
Development Manager

INQUIRIES AND OTHER INFORMATION

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