Store to Door

Financial Statements and Other Information
as of and for the Year Ended December 31, 2019
and Report of Independent Accountants

STORE TO DOOR

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GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
Store to Door:

We have audited the accompanying financial statements of Store to Door, 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; 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit 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 Store to Door as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

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Summarized Comparative Information

The 2018 financial statements were reviewed by us and, our report thereon, dated February 22, 2019, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2018 is derived from the 2018 financial statements and is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Gary L'Gon & Co. LLP

March 19, 2020

STORE TO DOOR

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

(WITH COMPARATIVE AMOUNTS FOR 2018)

		2019	2018
Assets:			
Cash and cash equivalents	$	656,456	589,157
Accounts receivable		3,925	2,012
Contributions and grants receivable *(note 4)*		6,500	13,000
Prepaid expenses		5,310	7,325
Property and equipment *(note 5)*		22,203	19,743
Total assets	$	694,394	631,237
Liabilities:			
Accounts payable and accrued expenses		27,605	3,834
Accrued payroll liabilities		7,127	8,071
Refundable advances		–	25,000
Total liabilities		34,732	36,905
Net assets:			
Without donor restrictions:			
Available for programs and general operations		344,469	303,837
Designated by the Board for operating reserves *(note 6)*		250,667	198,495
Net investment in capital assets		22,203	19,743
Total net assets without donor restrictions		617,339	522,075
With donor restrictions *(note 6)*		42,323	72,257
Total net assets		659,662	594,332
Commitments *(notes 4 and 9)*			
Total liabilities and net assets	$	694,394	631,237

See accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019			
	Without donor restrictions	With donor restrictions	Total	2018
Revenues, gains, and other support:				
Contributions	$ 533,665	56,230	589,895	430,435
In-kind contributions	10,126	–	10,126	17,902
Special events, net of direct costs of $28,461 in 2019 and $25,691 in 2018	46,812	–	46,812	56,057
Delivery income	72,219	–	72,219	65,282
Customer receipts	531,088	–	531,088	505,027
Gift card discount	23,512	–	23,512	26,645
Coupon revenue	18,059	–	18,059	18,538
Interest income	2,504	–	2,504	986
Loss on disposal of assets	(557)	–	(557)	–
Total revenues and gains	1,237,428	56,230	1,293,658	1,120,872
Net assets released from restrictions *(note 7)*	86,164	(86,164)	–	–
Total revenues, gains, and other support	1,323,592	(29,934)	1,293,658	1,120,872
Expenses *(note 8)*:				
Program services	914,976	–	914,976	862,407
Supporting services:				
Management and general	171,403	–	171,403	90,008
Fundraising	141,949	–	141,949	88,351
Total expenses	1,228,328	–	1,228,328	1,040,766
Increase (decrease) in net assets	95,264	(29,934)	65,330	80,106
Net assets at beginning of year	522,075	72,257	594,332	514,226
Net assets at end of year	$ 617,339	43,323	659,662	594,332

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

		2019				
		Program services	Management and general	Fundraising	Total	2018
Payroll and related expenses	$	269,193	108,170	123,735	501,098	401,163
Professional services		17,649	44,285	–	61,934	30,150
Market purchases		556,437	–	–	556,437	507,844
Occupancy		10,208	4,102	4,692	19,002	16,568
Office supplies		355	2,473	562	3,390	6,487
Telephone		3,030	1,217	1,393	5,640	4,676
Equipment lease and maintenance		1,688	678	776	3,142	1,078
Insurance		3,345	1,344	1,537	6,226	5,932
Vehicle expense		8,975	–	–	8,975	9,668
Postage and delivery		2,178	875	1,002	4,055	4,392
Printing and publications		4,749	1,908	2,183	8,840	12,107
Provision for doubtful collection of receivables		819	–	–	819	950
Donor cultivation		–	–	2,171	2,171	3,330
Marketing		4,461	–	500	4,961	8,251
Other		29,154	5,252	2,141	36,547	23,440
Total expenses before depreciation		912,241	170,304	140,692	1,223,237	1,036,036
Depreciation		2,735	1,099	1,257	5,091	4,730
Total expenses	$	914,976	171,403	141,949	1,228,328	1,040,766

See accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from contributors	$ 646,668	558,379
Cash received from service recipients	618,634	586,733
Interest income	2,504	986
Cash paid to employees and suppliers	(1,192,399)	(1,012,748)
Net cash provided by operating activities	75,407	133,350
Cash flows from investing activities:		
Purchases of property and equipment	(8,108)	(1,500)
Net cash used in investing activities	(8,108)	(1,500)
Net increase in cash and cash equivalents	67,299	131,850
Cash and cash equivalents at beginning of year	589,157	457,307
Cash and cash equivalents at end of year	$ 656,456	589,157

See accompanying 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 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. Recently-Adopted Accounting Standard

Revenue Recognition – Effective January 1, 2019, the Foundation adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), and additional ASUs issued to clarify the guidance in ASU 2014-09, which amends the existing accounting standards for revenue recognition. The Foundation adopted the new revenue standard applying the modified retrospective transition method to contracts not yet completed as of the date of adoption. The adoption of this standard did not have a material effect on the financial statements.

3. 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 a portion of these 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. This balance represents 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, 2019, cash equivalents totaled $250,667, 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.

Revenue Recognition – With regard to revenues from grants and contracts, the organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

  The organization's exchange transactions include revenues from customer receipts and deliveries. These revenues are generally recognized at the time of service delivery.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) ether a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

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. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. 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, 2019, $8,969 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 benefited from 1,467 volunteers during the year ended December 31, 2019, representing a value of approximately $440,900. 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, 2019, the organization recorded $1,157 in contributions of materials and equipment.

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, 2019, the organization held $207,679 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 March 19, 2020, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2018 – The accompanying financial information as of and for the year ended December 31, 2018 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.

4. Contributions and Grants Receivable

Contributions and grants receivable at December 31, 2019 represent $6,500 in unconditional promises expected to be collected in less than one year.

Conditional Gift

At December 31, 2019, the organization held a gift in the amount of $19,388, conditioned upon the approval of quarterly reimbursement requests. This contribution has not been included in the accompanying financial statements because the associated condition had not been satisfied as of December 31, 2019.

5. Property and Equipment

A summary of property and equipment at December 31, 2019 is as follows:

Equipment	$	29,567
Vehicles		35,695
Furnishings		10,947
		76,209
Less accumulated depreciation		(54,006)
	$	22,203

6. Restrictions and Limitations on Net Asset Balances

Board-Designated Net Assets:

As of December 31, 2019, $250,667 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, 2019, the organization held net assets with donor-imposed restrictions, representing grants restricted by donors, as follows:

Equitable outreach project	$	15,416
Volunteer management database		14,326
Program supplies		6,081
Future periods		6,500
	$	42,323

7. Net Assets Released from Restrictions

During the year ended December 31, 2019, 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 $86,164 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.

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 June of 2022. Minimum future lease payments under these operating leases as of December 31, 2019 are as follows:

Years ending December 31,		
2020	$	19,830
2021		20,154
2022		10,230
	$	50,214

Payments for these leases for the year ended December 31, 2019 totaled $18,572.

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, 2019:

Total financial assets available to fund general operations:		
Cash	$	656,456
Accounts receivable		3,925
Contributions and grants receivable		6,500
		666,881

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	$	65,330
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		5,091
Provision for doubtful collection of receivables		819
Loss on disposal of asset		557
Net changes in:		
Accounts receivable		(2,732)
Grants receivable		6,500
Prepaid expenses		2,015
Accounts payable and accrued expenses		23,771
Accrued payroll liabilities		(944)
Refundable advances		(25,000)
Total adjustments		10,077
Net cash provided by operating activities	$	75,407

■

GOVERNING BOARD AND MANAGEMENT

Board of Directors

Mike Beaty, *President*

Becky Blumer, *Vice President*

Marcia Blasen, *Treasurer*

Michael Edgel *Secretary*

Eumi Wymbs

Michael Brine

Jennifer Fuller

Marv Kuperstein

Jennifer Newton

John VanDinter

Ana Colombia Munoz Romero

Jean Pierce, Board member emeritus

Management

Mark Fulop
Executive Director

Terri Wiley
Development Director

INQUIRIES AND OTHER INFORMATION

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