GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Store to Door

Financial Statements and Other Information
as of and for the Year Ended December 31, 2022
and Report of Independent Accountants

STORE TO DOOR

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REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
Store to Door:

Opinion

We have audited the accompanying financial statements of Store to Door, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Store to Door and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 3 to the financial statements, in 2022, Store to Door adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (*Topic 842),* as amended. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Store to Door's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Store to Door's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Store to Door's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Summarized Comparative Information

The 2021 financial statements were reviewed by us and, our report thereon, dated March 24, 2022, 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, 2021 is derived from the 2021 financial statements and is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

April 7, 2023

STORE TO DOOR

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

(WITH COMPARATIVE AMOUNTS FOR 2021)

	2022	2021
Assets:		
Cash and cash equivalents	$ 727,300	882,789
Accounts receivable	6,472	18,599
Contributions and grants receivable *(note 4)*	183,000	10,000
Employee Retention Credit receivable *(note 5)*	279,041	–
Prepaid expenses	26,584	19,575
Property and equipment *(note 6)*	12,504	18,895
Right-of-use asset – operating lease *(note 7)*	56,457	–
Total assets	$ 1,291,358	949,858
Liabilities:		
Accounts payable and accrued expenses	44,388	37,824
Accrued payroll liabilities	22,739	21,961
Lease liability – operating lease *(note 7)*	57,349	–
Total liabilities	124,476	59,785
Net assets:		
Without donor restrictions:		
Available for programs and general operations	661,588	599,831
Designated by the Board for operating reserves *(note 8)*	302,715	252,511
Net investment in capital assets	12,504	18,895
Total net assets without donor restrictions	976,807	871,237
With donor restrictions *(note 8)*	190,075	18,836
Total net assets	1,166,882	890,073
Commitments *(note 4)*		
Total liabilities and net assets	$ 1,291,358	949,858

See accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

	2022			
	Without donor restrictions	With donor restrictions	Total	2021
Revenues, gains, and other support:				
Contributions	$ 542,892	260,600	803,492	718,857
In-kind contributions	13,018	–	13,018	10,266
Employee Retention Credit *(note 5)*	279,041	–	279,041	–
Customer receipts	706,214	–	706,214	638,537
Delivery income	125,227	–	125,227	106,686
Gift card discount	30,226	–	30,226	25,551
Coupon revenue	23,010	–	23,010	15,981
Interest income	436	–	436	252
Total revenues and gains	1,720,064	260,600	1,980,664	1,516,130
Net assets released from restrictions *(note 9)*	89,361	(89,361)	–	–
Total revenues, gains, and other support	1,809,425	171,239	1,980,664	1,516,130
Expenses *(note 10)*:				
Program services	1,296,758	–	1,296,758	1,129,223
Supporting services:				
Management and general	194,017	–	194,017	207,292
Fundraising	213,080	–	213,080	211,921
Total expenses	1,703,855	–	1,703,855	1,548,436
Increase (decrease) in net assets	105,570	171,239	276,809	(32,306)
Net assets at beginning of year	871,237	18,836	890,073	922,379
Net assets at end of year	$ 976,807	190,075	1,166,882	890,073

See accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022				2021
	Program services	Management and general	Fundraising	Total	2021
Payroll and related expenses	$ 484,245	149,005	169,091	802,341	753,333
Professional services	2,903	22,807	325	26,035	26,530
Market purchases	711,554	–	–	711,554	644,280
Occupancy	14,470	4,470	4,413	23,353	21,213
Office supplies	12,631	1,952	242	14,825	16,402
Food boxes	10,000	–	–	10,000	–
Telephone	6,615	1,090	1,090	8,795	6,618
Equipment lease and maintenance	171	705	–	876	501
Insurance	4,834	4,847	–	9,681	4,430
Vehicle expense	22,348	–	–	22,348	10,564
Postage and delivery	1,850	565	1,529	3,944	4,455
Printing and publications	595	128	11,246	11,969	8,873
Provision for doubtful collection of receivables	1,126	–	–	1,126	496
Donor cultivation	–	–	580	580	133
Marketing	351	91	487	929	882
Other	19,208	7,170	22,730	49,108	42,874
Total expenses before depreciation	1,292,901	192,830	211,733	1,697,464	1,541,584
Depreciation	3,857	1,187	1,347	6,391	6,852
Total expenses	$ 1,296,758	194,017	213,080	1,703,855	1,548,436

See accompanying notes to financial statements.

STORE TO DOOR

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Cash flows from operating activities:		
Cash received from contributors	$ 630,492	708,857
Cash received from service recipients	865,452	746,504
Interest income	436	252
Cash paid to employees and suppliers	(1,641,027)	(1,495,668)
Cash paid for amounts included in the measurement of operating lease liability	(10,842)	–
Net cash used in operating activities	(155,489)	(40,055)
Cash flows from investing activities:		
Purchases of property and equipment	–	(761)
Net cash used in investing activities	–	(761)
Net decrease in cash and cash equivalents	(155,489)	(40,816)
Cash and cash equivalents at beginning of year	882,789	923,605
Cash and cash equivalents at end of year	$ 727,300	882,789

Supplemental disclosure of cash flow information:		
Right-of-use asset obtained in exchange for new operating lease obligation	$ 67,451	–

See 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 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 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, 2022, cash equivalents totaled $302,715, 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) either 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, 2022, $12,768 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 1,227 volunteers during the year ended December 31, 2022, representing a value of approximately $655,184. However, consistent with 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, 2022, the organization recorded $250 in contributions of materials and equipment.

Contributed services are used in program service; management and general, and fundraising activities and are valued using current rates for similar services. Contributed materials and supplies are utilized in program service; management and general, and fundraising activities and are valued at the estimated price that would be received for selling similar products in the United States.

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, 2022, the organization held $153,473 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 April 7, 2023, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2021 – The accompanying financial information as of and for the year ended December 31, 2021 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 Standard

In February of 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires lessees to record a right-of-use ("ROU") asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. On January 1, 2022, Store to Door adopted ASU No. 2016-02, as amended.

At the time of adoption, and in accordance with ASU 2016-02, Store to Door elected the package of practical expedients to not reassess: 1) whether any expired or existing contracts are or contain a lease, 2) lease classification for any expired or existing leases, and 3) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. Store to Door has also elected the short-term lease exemption policy which permits an organization to not recognize leases, at the commencement date, with a lease term of 12 months or less in its statement of financial position. Store to Door uses the risk-free rate at lease commencement date for discounting leases, and has elected to separate lease and non-lease components in the calculation of the ROU assets and lease obligations. The organization also elected the practical expedient to use hindsight when determining lease term.

4. Contributions and Grants Receivable

Contributions and grants receivable represent unconditional promises and are summarized as follows at December 31, 2022:

Unconditional promises		
expected to be collected in:		
Less than one year	$	148,000
One year to five years		35,000
	$	183,000

Conditional Gifts

At December 31, 2022, the organization held a conditional gift totaling $10,000, conditioned upon the review and approval of certain progress reports by the donor.

The contribution has not been included in the accompanying financial statements because the associated condition had not been satisfied as of December 31, 2022.

5. Employee Retention Credit

During the year ended December 31, 2022, Store to Door claimed the Employee Retention Credit ("ERC") pursuant to the CARES Act and American Rescue Plan.

The credit covers 70% of qualified wages up to a $10,000 limit per employee per quarter. The ERC is applied against the organization's share of social security taxes under Section 3111(a) of the Internal Revenue Code and is fully refundable for the amount of the credit in excess of taxes owed.

Store to Door has claimed a total of $279,041 pursuant to the ERC as of December 31, 2022, all of which was receivable at December 31, 2022.

6. Property and Equipment

A summary of property and equipment at December 31, 2022 is as follows:

Equipment	$	36,607
Vehicles		35,695
Furnishings		10,946
		83,248
Less accumulated depreciation		(70,744)
	$	12,504

7. Leases

Store to Door has entered into a three year operating lease agreement for office space, effective on July 1, 2022. A ROU asset and associated lease liability have been recorded for this lease in accordance with Topic 842. The lease expires on June 30, 2025.

At December 31, 2022 Store to Door's ROU asset and corresponding lease liability for the operating lease totaled $56,457 and $57,349, respectively. At December 31, 2022, the discount rate was 2.85% and remaining lease term was 2.5 years.

Lease expense related to office space operating leases totaled $21,072, including $10,842 for the current lease and $10,230 for the previous lease, for the year ended December 31, 2022.

Future Lease Payments

Office space operating lease payments expected to be paid for each of the following fiscal years are as follows:

Years ending December 31,		
2023	$	22,332
2024		24,360
2025		12,870
		59,562
Less present value discount		(2,213)
Total lease liability	$	57,349

8. Restrictions and Limitations on Net Asset Balances

Board-Designated Net Assets:

As of December 31, 2022, $302,715 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, 2022, the organization held net assets with donor-imposed restrictions, representing grants restricted by donors, as follows:

Future periods	$	125,000
Client support program		58,000
Food box delivery program		4,902
Program supplies		2,173
	$	190,075

9. Net Assets Released from Restrictions

During the year ended December 31, 2022, 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 $89,361 have been recorded in the accompanying statement of activities.

10. 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.

11. 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, 2022:

Total financial assets available to fund general operations:	
Cash	$ 727,300
Accounts receivable	6,472
Contributions and grants receivable	183,000
Employee Retention Tax Credit receivable	279,041
	1,195,813
Less financial assets not available for operations within the year ending December 31, 2023:	
Financial assets restricted by donors for future periods	(35,000)
	$ 1,160,813

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.

12. 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 used in operating activities (as reported on the statement of cash flows):

Increase in net assets	$ 276,809
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	6,391
Provision for doubtful collection of receivables	1,126
Net changes in:	
Accounts receivable	11,001
Grants receivable	(173,000)
Employee Retention Credit receivable	(279,041)
Prepaid expenses	(7,009)
Right-of-use asset – operating lease	(56,457)
Accounts payable and accrued expenses	6,564
Accrued payroll liabilities	778
Lease liability – operating lease	57,349
Total adjustments	(432,298)
Net cash used in operating activities	$ (155,489)

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GOVERNING BOARD AND MANAGEMENT

Board of Directors

Mike Beaty, *President*

John Van Dinter, *Vice President*

Magnus McDowell, *Treasurer*

Therese Andersen, *Secretary*

Michael Brine

Susan Flagg

Marv Kuperstein

Ana Colombia Munoz Romero

Jay Rafter

Tony Rapp

Management

Mark Fulop
Executive Director

INQUIRIES AND OTHER INFORMATION

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