

**So All May Eat, Inc.**  
(a nonprofit Colorado corporation)  
Denver, Colorado

**Financial Statements**

December 31, 2022 and 2021



# So All May Eat, Inc.

## Table of Contents

---

---

<b>Independent Auditors' Report</b> .....	Pages 1-2
<b>Statements of Financial Position</b> December 31, 2022 and 2021 .....	Page 3
<b>Statement of Activities</b> Year ended December 31, 2022 .....	Page 4
<b>Statement of Activities</b> Year ended December 31, 2021 .....	Page 5
<b>Statement of Functional Expenses</b> Year ended December 31, 2022 .....	Page 6
<b>Statement of Functional Expenses</b> Year ended December 31, 2021 .....	Page 7
<b>Statements of Cash Flows</b> Years ended December 31, 2022 and 2021 .....	Page 8
<b>Notes to Financial Statements</b> .....	Pages 9-16

## **Independent Auditors' Report**

To the Board of Directors  
So All May Eat, Inc.  
Denver, Colorado

### **Opinion**

We have audited the accompanying financial statements of So All May Eat, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 So All May Eat, Inc. of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of So All May Eat, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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 of America; 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 So All May Eat, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Independent Auditors' Report (continued)**

### **Auditors' 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 So All May Eat, Inc.'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 So All May Eat, Inc.'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Altruic Advisors, CPAs*

Certified Public Accountants

Denver, Colorado  
May 4, 2023

# So All May Eat, Inc.

## Statements of Financial Position

December 31	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 328,610	\$ 607,523
Pledges receivable	-	100,000
Inventory	7,907	9,298
Prepaid expenses and other current assets	-	2,110
Total current assets	<u>336,517</u>	<u>718,931</u>
<b>Property and Equipment</b>		
Equipment	214,933	23,403
Leasehold improvements	163,432	-
Vehicles	62,335	62,335
	<u>440,700</u>	<u>85,738</u>
Less accumulated depreciation	(54,397)	(28,802)
Net equipment	<u>386,303</u>	<u>56,936</u>
<b>Other Assets</b>		
Right-of-use asset	229,047	-
Security deposit	10,511	10,511
Other assets	2,930	-
Total other assets	<u>242,488</u>	<u>10,511</u>
Total assets	<u>\$ 965,308</u>	<u>\$ 786,378</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 28,179	\$ 12,476
Accrued compensation and benefits	25,759	28,921
Operating lease obligation, current portion	53,670	-
Total current liabilities	<u>107,608</u>	<u>41,397</u>
<b>Long-Term Liabilities</b>		
Operating lease obligation, net of current portion and net of unamortized present value discount	<u>193,846</u>	<u>193,846</u>
Total liabilities	<u>301,454</u>	<u>235,243</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	<u>645,511</u>	<u>282,514</u>
Total unrestricted	<u>645,511</u>	<u>282,514</u>
With donor restrictions	<u>18,343</u>	<u>462,467</u>
Total net assets	<u>663,854</u>	<u>744,981</u>
Total liabilities and net assets	<u>\$ 965,308</u>	<u>\$ 786,378</u>

The accompanying Notes are an integral part of these financial statements

# So All May Eat, Inc.

## Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions and grants	\$ 508,208	\$ 227,500	\$ 735,708
In-kind contributions	30,749	-	30,749
Special events income, net	38,867	-	38,867
Net assets released from restrictions			
Expiration of time restriction	237,500	(237,500)	-
Satisfaction of purpose restrictions	434,124	(434,124)	-
Total operating support	<u>1,249,448</u>	<u>(444,124)</u>	<u>805,324</u>
<b>Operating Revenue</b>			
Food sales revenue	<u>133,834</u>	<u>-</u>	<u>133,834</u>
Total operating revenue	<u>133,834</u>	<u>-</u>	<u>133,834</u>
Total operating support and revenue	<u>1,383,282</u>	<u>(444,124)</u>	<u>939,158</u>
<b>Operating Expenses</b>			
Program services	831,244	-	831,244
Supporting services			
General and administrative	131,950	-	131,950
Fundraising	<u>57,094</u>	<u>-</u>	<u>57,094</u>
Total operating expenses	<u>1,020,288</u>	<u>-</u>	<u>1,020,288</u>
Total operating support and revenue in excess (deficit) of operating expenses	<u>362,994</u>	<u>(444,124)</u>	<u>(81,130)</u>
<b>Other Changes</b>			
Interest	<u>3</u>	<u>-</u>	<u>3</u>
<b>Change in Net Assets</b>	<u>362,997</u>	<u>(444,124)</u>	<u>(81,127)</u>
<b>Net Assets, Beginning of Year</b>	<u>282,514</u>	<u>462,467</u>	<u>744,981</u>
<b>Net Assets, End of Year</b>	<u>\$ 645,511</u>	<u>\$ 18,343</u>	<u>\$ 663,854</u>

The accompanying Notes are an integral  
part of these financial statements

# So All May Eat, Inc.

## Statement of Activities

Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions and grants	\$ 316,075	\$ 448,992	\$ 765,067
In-kind contributions	5,853	-	5,853
Special events income, net	30,350	-	30,350
Net assets released from restrictions			
Expiration of time restriction	115,225	(115,225)	-
Satisfaction of purpose restrictions	15,125	(15,125)	-
Total operating support	<u>482,628</u>	<u>318,642</u>	<u>801,270</u>
<b>Operating Revenue</b>			
Food sales revenue	58,997	-	58,997
Total operating revenue	<u>58,997</u>	<u>-</u>	<u>58,997</u>
Total operating support and revenue	<u>541,625</u>	<u>318,642</u>	<u>860,267</u>
<b>Operating Expenses</b>			
Program services	560,671	-	560,671
Supporting services			
General and administrative	57,030	-	57,030
Fundraising	35,877	-	35,877
Total operating expenses	<u>653,578</u>	<u>-</u>	<u>653,578</u>
Total operating support and revenue in excess (deficit) of operating expenses	<u>(111,953)</u>	<u>318,642</u>	<u>206,689</u>
<b>Other Changes</b>			
Gain on debt forgiveness	49,489	-	49,489
Interest	32	-	32
Total other changes	<u>49,521</u>	<u>-</u>	<u>49,521</u>
<b>Change in Net Assets</b>	<u>(62,432)</u>	<u>318,642</u>	<u>256,210</u>
<b>Net Assets, Beginning of Year</b>	<u>344,946</u>	<u>143,825</u>	<u>488,771</u>
<b>Net Assets, End of Year</b>	<u>\$ 282,514</u>	<u>\$ 462,467</u>	<u>\$ 744,981</u>

The accompanying Notes are an integral  
part of these financial statements

# So All May Eat, Inc.

## Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services		Total	Total Expenses
		General and Administrative	Fundraising		
Salaries and wages	\$ 461,808	\$ 55,569	\$ 45,959	\$ 101,528	\$ 563,336
Payroll taxes	37,529	3,968	3,319	7,287	44,816
Employee benefits	23,232	135	1,409	1,544	24,776
Total personnel costs	<u>522,569</u>	<u>59,672</u>	<u>50,687</u>	<u>110,359</u>	<u>632,928</u>
Cost of food sales	79,290	-	34	34	79,324
Occupancy	74,389	2,866	-	2,866	77,255
Contract services	62,878	4,332	1,500	5,832	68,710
Depreciation expenses	25,595	-	-	-	25,595
Facilities expense	24,962	-	-	-	24,962
Accounting	-	24,530	-	24,530	24,530
Program expenses	15,861	165	-	165	16,026
Travel	1,176	13,643	-	13,643	14,819
Insurance	9,454	4,141	144	4,285	13,739
Marketing	5,765	1,275	1,105	2,380	8,145
Meals and entertainment	2,590	3,502	117	3,619	6,209
Professional development	-	3,839	-	3,839	3,839
Bank and service charges	-	3,806	-	3,806	3,806
Permits	2,037	1,536	125	1,661	3,698
Automobile expense	2,698	616	-	616	3,314
Office expenses	987	1,518	748	2,266	3,253
Website and IT expenses	348	2,820	84	2,904	3,252
Legal and professional fees	-	2,797	-	2,797	2,797
Fundraising expenses	-	-	2,341	2,341	2,341
Miscellaneous	645	892	209	1,101	1,746
Total operating expenses	<u>\$ 831,244</u>	<u>\$ 131,950</u>	<u>\$ 57,094</u>	<u>\$ 189,044</u>	<u>\$ 1,020,288</u>

The accompanying Notes are an integral part of these financial statements



# So All May Eat, Inc.

## Statement of Functional Expenses

Year ended December 31, 2021

	Program Services	Supporting Services		Total	Total Expenses
		General and Administrative	Fundraising		
Salaries and wages	\$ 326,755	\$ 25,044	\$ 18,750	\$ 43,794	\$ 370,549
Payroll taxes	24,829	1,975	1,411	3,386	28,215
Employee benefits	21,834	1,737	1,241	2,978	24,812
Total personnel costs	373,418	28,756	21,402	50,158	423,576
Occupancy	62,335	2,552	2,270	4,822	67,157
Contract services	42,417	-	-	-	42,417
Cost of food sales	27,261	-	-	-	27,261
Accounting	-	15,135	-	15,135	15,135
Depreciation	11,969	-	-	-	11,969
Insurance	6,387	1,439	3,327	4,766	11,153
Repairs and maintenance	10,844	-	-	-	10,844
Marketing	5,003	-	5,641	5,641	10,644
Program expenses	10,209	-	-	-	10,209
Meals and entertainment	4,365	-	-	-	4,365
Fundraising expenses	-	-	3,158	3,158	3,158
Permits	1,449	1,106	79	1,185	2,634
Office expenses	-	2,470	-	2,470	2,470
Bank and service charges	-	1,939	-	1,939	1,939
Professional development	-	1,874	-	1,874	1,874
Website and IT expenses	1,803	-	-	-	1,803
Legal and professional fees	-	1,759	-	1,759	1,759
Travel	1,721	-	-	-	1,721
Automobile expense	1,490	-	-	-	1,490
Total operating expenses	\$ 560,671	\$ 57,030	\$ 35,877	\$ 92,907	\$ 653,578

The accompanying Notes are an integral part of these financial statements

# So All May Eat, Inc.

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2022	2021
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (81,127)	\$ 256,210
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	25,595	11,969
Lease expense	18,469	-
Gain on debt forgiveness	-	(49,489)
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	100,000	(84,775)
Inventory	1,391	(3,142)
Prepaid expenses and other current assets	2,110	868
Deposits	-	(10,511)
Other assets	(2,930)	-
Accounts payable	15,703	(1,712)
Accrued compensation and benefits	(3,162)	2,358
Net cash provided by operating activities	<u>76,049</u>	<u>121,776</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of equipment	<u>(354,962)</u>	<u>(9,144)</u>
Net cash used by investing activities	<u>(354,962)</u>	<u>(9,144)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(278,913)</b>	112,632
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>607,523</u>	<u>494,891</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 328,610</u>	<u>\$ 607,523</u>

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

---

### Note 1 – Nature of Organization and Significant Accounting Policies

*Nature of Operations.* So All May Eat, Inc. ("the Organization" or "SAME") is a Colorado non-profit corporation established in 2006. The Organization's mission is serving good food for the greater good. It is the Organization's intent to build a healthy community by providing access to healthy food in a dignified manner to everyone, regardless of ability to pay. The Organization is supported primarily by charitable contributions and sales revenue generated from the SAME Cafe in Denver, Colorado and Toledo, Ohio.

*Basis of Accounting.* The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents.* The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

*Pledges Receivable.* Unconditional promises to give are recognized as support in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges. The allowance for uncollectible pledges is estimated based on management's review of specific pledges outstanding. As of December 31, 2022 and 2021, management believes that all pledges receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Food inventory.* Purchased food inventory is for the SAME Cafe Denver, SAME Cafe Toledo, and SAME Cafe food truck, and is stated at lower of cost or market value. Cost is determined on a first-in, first-out basis. Donated food inventory is comprised of food used for the cafe and is recorded as inventory and contribution support at its estimated fair value at the date of donation, taking into consideration spoilage and utility for use. See *Donated Food Inventory*.

*Property and Equipment.* It is the Organization's policy to capitalize property and equipment at cost for purchases, while repair and maintenance items are charged to expense. Donations of equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which are generally five to ten years for vehicles, ten years for other equipment, and 5 years for leasehold improvements. Depreciation expense for the years ended December 31, 2022 and 2021 was \$25,595 and \$11,969, respectively.

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

---

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Impairment of Long-Lived Assets.* In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2022 and 2021.

*Basis of Net Asset Presentation.* The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

*Net Assets Without Donor Restrictions.* Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, sales revenue, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions.* Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

*Contributions and Grants.* Contributions and grants are recognized when the donation is received. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

*Donated Food Inventory.* All donated inventory is recorded at fair value and is received from private businesses, organizations, and individuals. Donated inventory is considered to be unrestricted support unless the inventory explicitly contains donor restrictions. The Organization only records the value of donated inventory in which it is either the original recipient of the gift, is involved in partnership with another organization for distribution, or if the inventory is used in the Organization's programs.

To determine food inventory values, donated food inventories are weighed when they arrive at the Organization. The Organization uses per pound values as published annually by Feeding America, a nonprofit organization and nationwide network of more than 200 food banks.

The following average per pound values were used to value inventory donations received and inventory distributions made during the years ended December 31:

	<u>2022</u>		<u>2021</u>
Food-only items	\$ 1.75	\$	1.54

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Contributed Services, Donated Food, and New Accounting Pronouncement.* Contributed items are recorded at \$1.75 per pound at the time of donation. Services are recognized if the services received satisfy the criteria for recognition. Contributed services are recognized if services either (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated food totaled \$25,749 and \$5,853 for the years ended December 31, 2022 and 2021, respectively. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition.

The Financial Accounting Standards Board issued Accounting Standards Update ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The new standard requires that contributed nonfinancial assets are presented separately in the statement of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies, and valuation techniques.

In-kind contributions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>	<u>Usage</u>
Food	\$ 25,749	\$ 5,853	SAME Café programs
Services	5,000	-	General and administrative
Total in-kind contributions	<u>\$ 30,749</u>	<u>\$ 5,853</u>	

In-kind professional service contributions were valued using estimated average hourly wage for identical services using pricing data of similar services under a 'like-kind' methodology, considering the utility of the services at the time of the contribution. Food in-kind contributions were valued using estimated average prices of identical or similar products using pricing data of similar products under a 'like-kind' methodology, considering the utility of the goods at the time of the contribution. No in-kind contributions were restricted. The Organization does not sell donated gifts in-kind and only uses services and food for its own program or supporting service activities.

#### *Revenue Recognition.*

Revenue from food resale is related to the SAME Cafe program. Food sales, net costs of sales, is recognized immediately at the point of sale.

Auxiliary revenue may include special event ticket sales. The Organization generally satisfies its performance obligations upon immediate occurrence of the event.

*Transaction Price.* The transaction price of a contract with a customer is the amount of consideration to which the Organization expects to be entitled in exchange for transferring promised goods and services to the customer.

For the years ended December 31, 2022 and 2021, the Organization recognized revenue of \$133,834 and \$58,997, respectively, from goods and services that transfer to the customer at a point in time.

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

---

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Revenue Recognition* (continued).

The Organization's contracts do not include significant financing components.

*Advertising.* The Organization expenses advertising costs as they are incurred. Costs, expensed as advertising and marketing in the statements of functional expenses, were \$8,145 and \$10,644 for the years ended December 31, 2022 and 2021, respectively.

*Income Taxes.* The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Functional Allocation of Expenses.* Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

*Reclassifications.* Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of December 31, 2021.

*Subsequent Events.* The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May 4, 2023, the date at which the financial statements were available for release.

### Note 2 – New Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), with the intended purpose to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows from leases.

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

---

### Note 2 – New Accounting Pronouncement (continued)

During the year ended December 31, 2022, the Organization adopted the requirements of ASU 2016-02, and, as a result, adjusted the presentation of the financial statements accordingly, applying the changes under the transition method. Under the transition method, the application date shall be the beginning of the reporting period in which the Organization first applied ASU 2016-02, which was January 1, 2022. The Organization has elected the package of practical expedients permitted in ASC Topic 842 and, accordingly, accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the operating leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. In addition, the Organization does allocate the consideration between lease and non-lease components. As a result of the adoption of the new lease accounting guidance, the Organization recognized on April 1, 2022 (a) a lease liability of approximately \$267,441, which represents the present value of the remaining lease payments of approximately \$285,458, discounted using the federal risk free borrowing rate of 2.55%, and (b) a right-of-use asset of approximately \$266,874. This standard did not have a material impact on the Organization's statements of financial position or cash flows from operations and had no impact on the Organization's operating results. The most significant impact was the recognition of right-of-use assets and lease obligations for operating leases.

### Note 3 – Right-of-Use Assets

Right-of-use assets consist of the following at December 31, 2022:

Right-of-use assets under operating leases (office space)	\$ 266,874
Less accumulated amortization	<u>(37,827)</u>
Net right-of-use assets	<u>\$ 229,047</u>

### Note 4 – Commitments

*Operating Leases.* The Organization leases space in Denver, Colorado under an operating lease agreement with monthly payment of \$4,870 as of December 31, 2022 with a 60-month lease term expiring March 2027. Rent expense under this lease, excluding utilities and other charges, was \$42,819 for the year ended December 31, 2022. The weighted average discount rate at December 31, 2022 was 2.55%. The weighted average remaining lease term at December 31, 2022 was 4.25 years.

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 4 – Commitments (continued)

Future annual minimum lease payments required under the noncancelable operating leases are as follows at December 31, 2022:

Year ended December 31	
2023	\$ 59,234
2024	60,297
2025	62,156
2026	63,484
2027	15,938
	<u>261,109</u>
Less: present value discount	<u>(13,593)</u>
	<u>\$ 247,516</u>

On March 24, 2022, the Organization entered into a lease for space in the Toledo Lucas County Public Library in Toledo, Ohio. Payments per the terms of the lease are \$1 per year. The initial agreement expires March 23, 2027.

### Note 5 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2022:

	Jan 1, 2022 Balance	Additions	Releases	Dec 31, 2022 Balance
Purpose Restrictions:				
Toledo Expansion	\$ 339,225	\$ 60,000	\$ 399,225	\$ -
Cook to Work	23,242	30,000	34,899	18,343
Time Restrictions	100,000	137,500	237,500	-
	<u>\$ 462,467</u>	<u>\$ 227,500</u>	<u>\$ 671,624</u>	<u>\$ 18,343</u>

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2021:

	Jan 1, 2021 Balance	Additions	Releases	Dec 31, 2021 Balance
Purpose Restrictions:				
Toledo Expansion	\$ 103,600	\$ 248,992	\$ 13,367	\$ 339,225
Cook to Work	25,000	-	1,758	23,242
Time Restrictions	15,225	200,000	115,225	100,000
	<u>\$ 143,825</u>	<u>\$ 448,992</u>	<u>\$ 130,350</u>	<u>\$ 462,467</u>



# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

---

### Note 6 – Paycheck Protection Program Loan

On April 29, 2020, the Organization was granted a loan ("the PPP Loan") from BBVA USA in the amount of \$49,489, pursuant to the Paycheck Protection Program ("the PPP") under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"), which was enacted March 27, 2020.

The PPP Loan, which was in the form of a promissory note dated April 29, 2020, matures on April 29, 2022 and bears interest at a rate of 1.00% per annum, payable in monthly installments of approximately \$2,786, commencing on November 29, 2020. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the PPP Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before June 22, 2020, or through an alternate period as extended upon request of the Organization. The Organization used the entire PPP Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. During 2021, this loan was forgiven in full.

### Note 7 – Liquidity and Availability of Resources

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. Additionally, the board of directors is in process of setting aside an operating reserve that represents three months of operating expenses. During each of the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within these guiding principles.

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

Financial assets at year-end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 328,610	\$ 607,523
Pledges receivable	-	100,000
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 328,610</u>	<u>\$ 707,523</u>

All of the Organization's net asset restrictions are generally released within the next fiscal year. The Organization anticipates that all net asset restrictions as of December 31, 2022 will be fully released during the next fiscal year

# So All May Eat, Inc.

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 8 – Special Events

The Organization derived net revenue from the following special fundraising events during the year ended December 31, 2022:

	<u>Annual Gala</u>	<u>Catering Events</u>	<u>Other Events</u>	<u>Total</u>
Support	\$ 35,047	\$ 6,059	\$ 620	\$ 41,726
Revenue	17,061	-	-	17,061
Direct costs	(18,159)	(1,391)	(370)	(19,920)
Net revenue	<u>\$ 33,949</u>	<u>\$ 4,668</u>	<u>\$ 250</u>	<u>\$ 38,867</u>

The Organization derived net revenue from the following special fundraising events during the year ended December 31, 2021:

	<u>Annual Gala</u>	<u>Catering Events</u>	<u>Other Events</u>	<u>Total</u>
Revenue	\$ 7,400	\$ 11,846	\$ 1,831	\$ 21,077
Support	17,460	-	-	17,460
Direct costs	(7,189)	(392)	(606)	(8,187)
Net revenue	<u>\$ 17,671</u>	<u>\$ 11,454</u>	<u>\$ 1,225</u>	<u>\$ 30,350</u>

### Note 9 – Concentrations of Credit Risk

*Geographical.* The Organization receives a substantial amount of its support and revenue from within the Denver, Colorado area.

*Major Donors.* The Organization had one donor who comprised approximately 13% of total support and revenue for the year ended December 31, 2022. The Organization had two donors who comprised approximately 35% of total support and revenue for the year ended December 31, 2021.