

**LIFE'S KITCHEN, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

**LIFE'S KITCHEN, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Life's Kitchen, Inc.  
Boise, Idaho

We have audited the accompanying financial statements of Life's Kitchen, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities, functional expenses, and cash flows for the years 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 of America; 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 entity'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 entity'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.

Board of Directors  
Life's Kitchen, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life's Kitchen, Inc. as of June 30, 2019 and 2018, 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.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, on July 1, 2018, Life's Kitchen, Inc. adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, requiring a change in the presentation of net assets and enhanced financial statement disclosures. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boise, Idaho  
October 29, 2019

**LIFE'S KITCHEN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 427,246	\$ 467,000
Accounts Receivable	25,011	13,030
Grants Receivable:		
With Restrictions	-	3,000
Without Restrictions	7,000	-
Inventory	6,675	6,542
Prepaid Expenses	24,215	15,734
Total Current Assets	490,147	505,306
<b>PROPERTY AND EQUIPMENT</b>		
Land	150,489	150,489
Kitchen Equipment	103,454	95,382
Vehicles	37,834	37,834
Office Equipment and Furniture	50,787	50,787
Construction in Progress	15,728	15,728
Total Property and Equipment	358,292	350,220
Less: Accumulated Depreciation	(151,879)	(139,062)
Total Property and Equipment, Net	206,413	211,158
 Total Assets	 \$ 696,560	 \$ 716,464
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 13,560	\$ 12,130
Accrued Expenses	23,963	18,072
Deferred Revenue	3,021	3,275
Total Current Liabilities	40,544	33,477
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated	350,000	400,000
Undesignated	239,760	202,781
Total Without Donor Restrictions	589,760	602,781
With Donor Restrictions	66,256	80,206
Total Net Assets	656,016	682,987
 Total Liabilities and Net Assets	 \$ 696,560	 \$ 716,464

See accompanying Notes to Financial Statements.

**LIFE'S KITCHEN, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 53,861	\$ 5,284	\$ 59,145
Grants	85,343	98,500	183,843
Catering Services	148,316	-	148,316
Café	19,042	-	19,042
Contract Food Services	150,521	-	150,521
Fundraising	116,911	-	116,911
In-Kind Contributions	66,786	-	66,786
Investment Income	1,596	-	1,596
Net Assets Released from Restrictions	117,734	(117,734)	-
Total Support and Revenue	760,110	(13,950)	746,160
<b>EXPENSES</b>			
Program Services	593,240	-	593,240
Management and General	74,045	-	74,045
Fundraising	105,846	-	105,846
Total Expenses	773,131	-	773,131
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	(13,021)	(13,950)	(26,971)
Net Assets - Beginning of Year	602,781	80,206	682,987
<b>NET ASSETS - END OF YEAR</b>	\$ 589,760	\$ 66,256	\$ 656,016

See accompanying Notes to Financial Statements.

**LIFE'S KITCHEN, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 57,053	\$ 1,500	\$ 58,553
Grants	55,500	94,602	150,102
Catering Services	141,614	-	141,614
Café	19,008	-	19,008
Contract Food Services	173,996	-	173,996
Fundraising	119,784	-	119,784
In-Kind Contributions	80,640	-	80,640
Investment Income	648		648
Net Assets Released from Restrictions	182,173	(182,173)	-
Total Support and Revenue	830,416	(86,071)	744,345
<b>EXPENSES</b>			
Program Services	623,290	-	623,290
Management and General	99,211	-	99,211
Fundraising	105,639	-	105,639
Total Expenses	828,140	-	828,140
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	2,276	(86,071)	(83,795)
Net Assets - Beginning of Year	600,505	166,277	766,782
<b>NET ASSETS - END OF YEAR</b>	\$ 602,781	\$ 80,206	\$ 682,987

See accompanying Notes to Financial Statements.

**LIFE'S KITCHEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 267,820	\$ 11,738	\$ 64,335	\$ 343,893
Cost of Food Services	121,464	-	2,452	123,916
Lease Expense	61,019	9,674	3,721	74,413
Payroll Taxes	24,783	2,403	5,380	32,566
Employee Benefits	26,140	4,265	4,332	34,737
Depreciation	11,083	1,757	676	13,517
Advertising and Marketing	958	619	7,566	9,143
Kitchen Supplies	18,087	-	2,565	20,652
Professional Fees	2,715	17,544	9,409	29,668
Insurance	4,526	1,437	-	5,963
Dues and Subscriptions	4,748	2,489	998	8,235
Educational Expense	9,175	-	-	9,175
Bank Service Charges	10,504	369	2,614	13,487
Student Support	7,946	-	-	7,946
Retirement Plan	423	1,455	-	1,878
Office Expense	331	2,322	455	3,108
Linen Service	2,989	-	32	3,021
Printing	1,922	1,449	245	3,616
Telephone	1,895	2,211	62	4,168
Computer Expense	3,734	3,363	59	7,156
Automotive	6,663	153	329	7,145
Repairs and Maintenance	2,804	75	-	2,879
Postage and Delivery	52	494	573	1,119
Licenses and Permits	474	-	-	474
Property Taxes	-	1,885	-	1,885
Miscellaneous	273	1,263	43	1,579
Use Tax	712	-	-	712
Capital Campaign Expenses	-	7,080	-	7,080
Total Functional Expenses	<u>\$ 593,240</u>	<u>\$ 74,045</u>	<u>\$ 105,846</u>	<u>\$ 773,131</u>

See accompanying Notes to Financial Statements.



**LIFE'S KITCHEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 264,070	\$ 63,062	\$ 67,003	\$ 394,135
Cost of Food Services	154,497	-	3,881	158,378
Lease Expense	61,907	9,814	3,775	75,496
Payroll Taxes	24,383	5,823	6,187	36,393
Retirement Plan	2,898	682	725	4,305
Professional Fees	22,164	12,340	5,280	39,784
Depreciation	8,619	1,367	526	10,512
Employee Benefits	2,856	692	735	4,283
Insurance	5,737	1,364	-	7,101
Student Support	5,659	-	-	5,659
Kitchen Supplies	12,552	-	1,106	13,658
Advertising and Marketing	1,412	168	7,826	9,406
Computer Expense	4,296	1,613	5	5,914
Office Expense	2,263	839	273	3,375
Automotive	5,696	8	32	5,736
Linen Service	2,570	-	-	2,570
Telephone	3,927	262	456	4,645
Repairs and Maintenance	4,929	-	-	4,929
Printing	2,302	375	816	3,493
Equipment Rental	162	-	1,172	1,334
Postage and Delivery	244	308	961	1,513
Bank Service Charges	9,889	172	2,308	12,369
Dues and Subscriptions	5,925	251	2,463	8,639
Licenses and Permits	278	-	-	278
Educational Expense	12,102	-	-	12,102
Property Taxes	1,875	-	-	1,875
Other	78	71	109	258
	<u>\$ 623,290</u>	<u>\$ 99,211</u>	<u>\$ 105,639</u>	<u>\$ 828,140</u>

See accompanying Notes to Financial Statements.

**LIFE'S KITCHEN, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Increase (Decrease) in Net Assets	\$ (26,971)	\$ (83,795)
Adjustments to Reconcile Net Increase (Decrease) In Net Assets to Net Cash Used by Operating Activities:		
Depreciation	13,517	10,512
In-Kind Contribution of Property and Equipment	(800)	(3,996)
(Increase) Decrease in Assets:		
Accounts Receivable	(11,981)	8,755
Grants Receivable	(4,000)	23,000
Inventory	(133)	842
Prepaid Expenses and Other Assets	(8,481)	(5,494)
Increase (Decrease) in Liabilities:		
Accounts Payable	1,430	3,143
Accrued Expenses	5,891	1,093
Deferred Revenue	(254)	1,206
Net Cash Used by Operating Activities	(31,782)	(44,734)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(7,972)	(16,111)
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(39,754)	(60,845)
Cash and Cash Equivalents - Beginning of Year	467,000	527,845
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 427,246	\$ 467,000
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Contributed Assets	\$ 800	\$ 3,996

See accompanying Notes to Financial Statements.

**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Life's Kitchen, Inc. (the Organization) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization was incorporated in December of 2001. The Organization is dedicated to transforming the lives of young adults by building self-sufficiency and independence through comprehensive food service and life skills training, placement in the food service industry, and continuing education. This is accomplished through an extensive 16-week program. Students receive hands-on training working in the custom catering, lunch cafe and contract food service businesses operated by the Organization. Life skills classes are taught by the Organization's staff and community volunteers.

**Basis of Presentation**

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization follows financial statement presentation requirements issued by the Financial Accounting Standards Board (FASB) for nonprofit entities. Under these provisions, net assets, revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, 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 (or certain grantor) restrictions. Included within net assets without donor restriction as of June 30, 2019 and 2018, is \$250,000 and \$150,000, respectively of net assets designated by the board of directors for major capital expenditures. Also included within net assets without donor restrictions as of June 30, 2019 and 2018, is \$100,000 and \$250,000, respectively, of net assets designated by the board of directors for operating expenses.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For the purpose of presenting the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Restricted Assets**

Grants receivable with donor restrictions are limited in use for payment of costs associated with net assets with donor restrictions as detailed in Note 3.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to earnings in the period in which they are determined to be uncollectible. Management determines whether accounts will be collected by regularly evaluating individual receivables. Recoveries of receivables previously written-off are recorded when received. Management determined that an allowance for doubtful accounts was not necessary as of June 30, 2019 and 2018.

**Inventory**

Inventory, consisting principally of food purchased by the Organization or donated to the Organization, is carried at the lower of cost or net realizable value.

**Property and Equipment**

Property and equipment are recorded at original cost. Donated assets are recorded at fair market value at the date of donation. Generally, according to the Organization's capitalization policy, furniture, fixtures, equipment, buildings, and improvements over \$600, are capitalized, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets are expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the property and equipment and ranges from three to seven years.

Depreciation expense for the years ended June 30, 2019 and 2018, was \$13,517 and \$10,512, respectively.

**Compensated Absences**

Organization employees accrue flexible time off at a rate determined by the number of years of service with the Organization. Employees may accrue up to and carryover a maximum of 160 hours. Under most circumstances, flexible time off is payable upon termination of the employee. The amount of compensated absences included in accrued expenses is \$16,287 and \$12,760 at June 30, 2019 and 2018, respectively.

**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Contributions and grants are considered to be available for general expenditures unless specifically restricted by the donor. Contributions with donor restrictions are segregated for accounting purposes in order to ensure compliance with the donor's wishes. The Organization reports support with donor restrictions if the assets were received with donor purpose or timing restrictions placed on them. When the applicable restrictions are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor restrictions are placed on the donated assets. Catering services, café, and contract food services are recorded at the time the sale occurs.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met that promises become unconditional.

**Donated Materials, Services, and Facilities**

The Organization records the value of donated goods, services, and facilities when they would have purchased the donated goods, services, or facilities had they not been donated. Donated materials, services, and facilities are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. A substantial number of volunteers donated significant amounts of their time in the Organization's program activities which have not been recorded. Donations of goods, services, and facilities valued at \$66,786 and \$80,640 were recorded in the financial statements for the years ended June 30, 2019 and 2018, respectively.

**Functional Expenses**

The costs of providing the various programs have been summarized on a functional basis in the statements of activities. The Organization's policy is to allocate and record expenses to various cost centers based on the direct association of the expense to the particular cost center. Cost centers are segregated into individual programs, general administration, and fundraising. Costs that cannot be directly associated with one cost center are allocated to cost centers based on defined percentages depending on the type of expense. Significant attention is focused to assure that only costs directly attributable to programs are allocated to programs. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on percentage of employees' time spent on each activity.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense totaled \$9,143 and \$9,406 for the years ended June 30, 2019 and 2018, respectively.

**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sales Taxes**

The Organization collects sales tax on catering, contract food service, and café sales. Revenues of the Organization are reported net of sales tax.

**Income Taxes**

The Organization is a tax-exempt organization under Section 501(c)(3) of the IRC and is subject to federal income tax only on net unrelated business income. The Organization currently has no unrelated business income and is not considered a private foundation within the meaning of Section 509(a) of the IRC and all charitable contributions are considered tax deductible.

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service (IRS).

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations of Credit Risk**

The Organization maintains its cash deposits at various financial institutions which at times may exceed federally insured limits. At June 30, 2019, there were no deposits held at financial institutions that exceeded federal insurance limits. Additionally, the Organization is participating in a Bank Insured Deposit Program, which provides additional deposit insurance beyond the \$250,000 FDIC insurance limits.

**Change in Accounting Principle**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, except the liquidity disclosure, which excludes information for the period prior to adoption as allowed under the standards.

**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncement Effective in Future Accounting Periods**

**Revenue from Contracts with Customers**

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the entity for annual periods beginning after December 15, 2018. Management is evaluating the impact of the amended revenue recognition guidance on the entity's financial statements.

**Leases**

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The standard will be effective for the entity for annual periods beginning after December 15, 2020; however, early application is permitted. Management is currently evaluating the impact this guidance will have on its financial statements.

**Accounting for Contributions Received and Contributions Made**

In June 2018, FASB issued ASU 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The ASU is effective for the Organization for the year ended June 30, 2020. The Organization is currently evaluating the impact this guidance will have on its financial statements.

**Reclassifications**

Certain reclassifications of amount previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets

**LIFE'S KITCHEN, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

Subsequent events have been evaluated through October 29, 2019, which is the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 427,246
Accounts Receivable	25,011
Grants Receivable	7,000
Less: Net Assets with Donor Restrictions	<u>(66,256)</u>
Total	<u><u>\$ 393,001</u></u>

As part of our liquidity plan, we invest cash in excess of daily requirements in money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$350,000 as of June 30, 2019.

**NOTE 3 RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions were available for the following purposes as of June 30:

	<u>2019</u>	<u>2018</u>
Life Skills and Employability Training	\$ 18,925	\$ 20,000
Interfaith Program	-	1,500
Capital Campaign	40,157	51,532
Kitchen Equipment	<u>7,174</u>	<u>7,174</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 66,256</u></u>	<u><u>\$ 80,206</u></u>

**NOTE 4 LEASING ACTIVITIES**

The Organization leases its facility from the city of Boise at below market value under an operating lease expiring on April 30, 2015; however, the lease has been extended on a month-to-month basis. The difference between the required annual payments and the fair market value is recorded as in-kind revenue in the year of receipt. The amount recognized in the years ended June 30, 2019 and 2018, for in-kind revenue and rental expense related to this lease was \$50,400 and \$51,500, respectively. Total rent expense under this lease was \$74,413 and \$75,496 for the years ended June 30, 2019 and 2018, respectively.



**LIFE'S KITCHEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 5 RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2019 and 2018, contributions received from members of the board of directors and related entities totaled \$8,062 and \$7,334, respectively.

**NOTE 6 EMPLOYEE BENEFIT PLAN**

The Organization established a SIMPLE IRA plan under Section 408(p) of the IRC, effective beginning July 1, 2010 (the Plan). The Plan provides Organization matching contributions. Each eligible employee must be notified of the Organization's contribution method and percentage within a reasonable period of time before the employees' 60-day election period for the calendar year. Effective for the calendar years 2019 and 2018, the Organization elected to match employee contributions of up to 3% of compensation. Simple IRA contributions totaled \$1,878 and \$4,262 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 7 SUBSEQUENT EVENT**

Subsequent to June 30, 2019, the Organization purchased a building for \$750,000 and signed a promissory note related to the building purchase in the amount of \$550,000.

Subsequent to June 30, 2019, the Organization sold land for a sales price of \$550,000.