

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP**

FINANCIAL STATEMENTS

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

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
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YEAR ENDED AUGUST 31, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Vetri Foundation for Children
dba: Vetri Community Partnership
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Vetri Foundation for Children dba: Vetri Community Partnership (a nonprofit organization), which comprise the statement of financial position as of August 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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
Vetri Foundation for Children
dba: Vetri Community Partnership

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vetri Foundation for Children dba: Vetri Community Partnership as of August 31, 2018, 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 of America.

Report on Summarized Comparative Information

We have previously audited Vetri Foundation for Children dba: Vetri Community Partnership's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
January 9, 2019

VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2017)

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,035,931	\$ 948,970
Accounts, Grants and Contributions Receivable	367,711	155,053
Prepaid Expenses	14,329	10,531
Total Current Assets	1,417,971	1,114,554
PROPERTY AND EQUIPMENT, NET	150,768	178,314
OTHER ASSETS		
Accounts, Grants and Contributions Receivable, Net of Current Portion	20,000	591,371
Security Deposits and Other Assets	7,832	8,332
Total Other Assets	27,832	599,703
Total Assets	\$ 1,596,571	\$ 1,892,571
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Note Payable	\$ -	\$ 10,996
Accounts Payable and Accrued Expenses	103,958	200,095
Total Current Liabilities	103,958	211,091
LONG-TERM LIABILITIES		
Deferred Rent	9,218	5,225
Deferred Revenue	8,175	-
Long-Term Debt, Net of Current Maturities	-	52,505
Total Liabilities	121,351	268,821
NET ASSETS		
Unrestricted	828,538	593,261
Temporarily Restricted	646,682	1,030,489
Total Net Assets	1,475,220	1,623,750
Total Liabilities and Net Assets	\$ 1,596,571	\$ 1,892,571

See accompanying Notes to Financial Statements.

VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
Grants and Contributions	\$ 328,497	\$ 494,160	\$ 822,657	\$ 2,112,979
Fee For Service	724,826		724,826	62,257
Special Event Revenue	272,758	-	272,758	495,637
Less: Costs of Direct Benefits to Donors	(23,980)	-	(23,980)	(183,444)
Net Revenues from Special Events	248,778	-	248,778	312,193
In-Kind Contributions	100,687	-	100,687	265,969
Other Income	1,713	-	1,713	2,359
Net Assets Released from Restrictions	877,967	(877,967)	-	-
Total Operating Revenue	2,282,468	(383,807)	1,898,661	2,755,757
EXPENDITURES				
Program Services	1,458,800	-	1,458,800	1,299,747
Management and General	262,270	-	262,270	228,532
Fundraising	326,121	-	326,121	298,406
Total Expenditures	2,047,191	-	2,047,191	1,826,685
CHANGE IN NET ASSETS	235,277	(383,807)	(148,530)	929,072
Net Assets - Beginning of Year	593,261	1,030,489	1,623,750	694,678
NET ASSETS - END OF YEAR	<u>\$ 828,538</u>	<u>\$ 646,682</u>	<u>\$ 1,475,220</u>	<u>\$ 1,623,750</u>

See accompanying Notes to Financial Statements.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2017)**

	2018			2017	
	Program Services	Management and General	Fundraising	Total Expenditures	Total
Payroll and Payroll Taxes	\$ 886,025	\$ 132,512	\$ 209,736	\$ 1,228,273	\$ 982,433
Payroll Benefits	74,102	12,118	13,958	100,178	87,706
Accounting Fees	-	12,400	-	12,400	13,875
Advertising	234	744	543	1,521	2,480
Bad Debt Expense	-	4,000	-	4,000	2,578
Contract Services	121,780	37,351	17,257	176,388	155,557
Credit Card Fees	1,593	533	2,336	4,462	20,298
Depreciation Expense	35,786	1,567	2,225	39,578	16,722
Food and Beverages	386	-	17,657	18,043	48,977
Grants and Contributions	4,400	256	-	4,656	166,855
Information Technology	23,122	3,904	8,772	35,798	33,961
Insurance	21,968	3,454	4,015	29,437	26,224
Interest	1,929	372	-	2,301	1,675
Occupancy	50,005	9,757	12,504	72,266	130,332
Office Expenses	42,566	6,641	11,617	60,824	60,024
Professional Services	36,807	34,058	18,000	88,865	49,468
Program Supplies and Equipment	129,728	277	295	130,300	69,466
Special Event Expenses	-	-	17,990	17,990	29,075
Travel	28,369	2,326	13,196	43,891	112,423
Total	<u>1,458,800</u>	<u>262,270</u>	<u>350,101</u>	<u>2,071,171</u>	<u>2,010,129</u>
Less: Costs of Direct Benefits to Donors	<u>-</u>	<u>-</u>	<u>(23,980)</u>	<u>(23,980)</u>	<u>(183,444)</u>
Total Expenditures	<u>\$ 1,458,800</u>	<u>\$ 262,270</u>	<u>\$ 326,121</u>	<u>\$ 2,047,191</u>	<u>\$ 1,826,685</u>

See accompanying Notes to Financial Statements.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2017)**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (148,530)	\$ 929,072
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	39,578	16,722
(Increase) Decrease in:		
Accounts, Grants and Contributions Receivable	358,713	(662,419)
Prepaid Expenses	(3,798)	(933)
Security Deposits and Other Assets	500	3,030
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(96,137)	(124,624)
Deferred Rent	3,993	494
Deferred Revenue	8,175	-
Net Cash Provided by Operating Activities	162,494	161,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(12,032)	(94,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	-	67,339
Payments on Long-Term Debt	(63,501)	(3,838)
Net Cash Provided (Used) by Financing Activities	(63,501)	63,501
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,961	130,210
Cash and Cash Equivalents - Beginning of Year	948,970	818,760
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,035,931	\$ 948,970
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 2,301	\$ 1,675

See accompanying Notes to Financial Statements.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Vetri Foundation for Children dba: Vetri Community Partnership (the Organization) is a Pennsylvania nonprofit organization which provides culinary and nutrition education in schools and communities in the Philadelphia region, including the city of Philadelphia and Camden, New Jersey. It was founded in 2008 by Chef Marc Vetri and restaurateur Jeff Benjamin to empower children and families to lead healthy lives through fresh food, hands-on experiences, and education.

Vetri Community Partnership works with children and families who are eager to improve their health through learning how to cook. All programs offer hands-on instruction and experience in preparing and tasting produce-dense recipes as alternatives to foods high in sugar and simple carbohydrates, the ingredients found in so many processed convenience foods.

For most people, eating nutritiously by consuming more fruits and vegetables than processed foods can be challenging. As a result:

- Fewer than 20% of adolescents aged 12 to 18 eat the recommended five or more servings of fruits and vegetables daily.
- One out of three children in our country is overweight or obese.
- Overweight children are more likely to become overweight adults and to suffer from high cholesterol, high blood pressure, and Type 2 diabetes.
- Obesity-related diseases that stem from a diet of nonnutritious foods – diabetes, heart disease, and other health problems – cost Americans more than \$150 billion per year.

We know that good nutrition has a direct link to proper physical growth and development for children. It is essential to their ability to learn as well: the more fast-food students report eating, the lower their rate of academic improvement.

At Vetri Community Partnership, we are chefs, restaurant industry transplants, educators, and food lovers who understand that healthy food is better received when it is prepared and served in a delicious and dignified way. Our programs aren't prescriptive; they're experiential. When children and families connect with whole food in the cafeteria, in the classroom, or in the kitchen and learn how to prepare delicious food for themselves, they are inspired to make better decisions about their own health, influence their families, and become a voice for healthier choices in their communities.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

Our unique solution:

- EAT360 – a holistic approach to school wellness, this program incorporates changes in the cafeteria, direct education in the classroom and outreach to the school community, at large. Students participate in hands-on cooking education and experience tastings of fresh vegetables in the lunchroom.
- Vetri Cooking Lab – An out-of-school-time program that combines cooking, nutrition education, and STEAM (science, technology, engineering, arts, and math) core concepts to train a generation of educated food consumers.
- Mobile Teaching Kitchen – This vehicle brings the culinary classroom to the curbside in our communities. Children and families have the opportunity to get hands-on preparing a recipe and instruction on cooking healthy meals at home.
- My Daughter's Kitchen – this eight-week after school cooking club is volunteer taught and works with students to create a home-cooked, family-style dinner each week of the semester. The program focuses on teamwork, mentoring and culinary and nutrition education.
- Culinary Medicine – partnering with local medical schools and hospitals, Vetri Community Partnership provides direct culinary education to medical students as well as patients and their families, so diseases can be better managed through nutrition.

The Organization's main sources of revenue include individual and corporate donations, foundation and government grants, and revenue from fundraising events.

Basis of Financial Statements

The accompanying financial statements are accounted for on the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Organization reports contributions as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of any donor stipulations that limits its use. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors.

Temporarily Restricted Net Assets – Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as Net Assets Released from Restrictions.

Permanently Restricted Net Assets – These are net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. There are no permanently restricted net assets at year-end.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2018 from which the summarized information was derived.

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 the reported amounts of assets and liabilities and 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.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments in traditional bank accounts, money market funds, and certificates of deposit with a maturity of three months or less when purchased to be cash equivalents. At times, cash in bank may exceed Federal Deposit Insurance Corporation (FDIC) insurable limits.

Accounts, Grants and Contributions Receivable

The Organization records accounts, grants, and contributions receivable at the estimated present value of future cash flows, net of allowances, to include net realizable value based on management's analysis of specific grants. The Organization provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At August 31, 2018, the allowance for uncollectible accounts amount was not warranted.

Equipment and Depreciation

Equipment with an estimated useful life in excess of one year and in excess of \$2,500 is capitalized at cost if purchased and at fair market value if donated. The cost of equipment is depreciated over the estimated useful lives of the assets. Depreciation is computed on the straight-line method.

The useful lives of property and equipment for purposes of computing depreciation are:

Furniture and Equipment	3 to 10 Years
Vehicles	5 Years
Leasehold Improvement	3 Years

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) within the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as Net Assets Released from Restrictions.

Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization follows the income tax standard for uncertain tax positions. This standard had no impact on the Organization's financial statements.

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 9, 2019, the date the financial statements were available to be issued.

NOTE 2 GRANTS AND CONTRIBUTIONS RECEIVABLES

The Organization records grants and contributions when the contribution is made. During the year ended August 31, 2018, contributions were promised with multiple-year payment terms.

Future maturities of these receivables as of August 31, 2018 are as follows:

Amount Due Within One Year	\$ 367,711
Amount Due Within One to Five Years	20,000
Total Accounts, Grants and Contributions Receivable	387,711
Accounts, Grants and Contributions Receivable, Current Portion	367,711
Accounts, Grants and Contributions Receivable, Net of Current Portion	\$ 20,000

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment as of August 31, 2018 is recorded at cost as follows:

Furniture and Equipment	\$ 38,625
Vehicles	152,330
Leasehold Improvements	18,485
Total	209,440
Less: Accumulated Depreciation	(58,672)
Total Property and Equipment	\$ 150,768

Depreciation expense for the year ended August 31, 2018 was \$39,578.

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 4 LINE OF CREDIT

At December 28, 2017, the Organization maintained a \$300,000 line of credit with a financial institution. Outstanding amounts carries an interest rate on outstanding amounts equal to the daily London Interbank Offered Rate (LIBOR) rate plus 2.5%, and is due to expire on December 28, 2019. The line of credit was collateralized by all business assets. There was no outstanding balance on the line of credit as of August 31, 2018.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at August 31, 2018 consisted of the following:

Restrictions Due to Purpose:	
My Daughter's Kitchen	\$ 25,000
Mobile Kitchen	1,994
Vetri Cooking Lab	258,200
Tech Impact	10,000
Penn Treaty Geographic Area	16,285
Target Volunteers	<u>47,703</u>
Total Restrictions Due to Purpose	359,182
Restrictions Due to Time:	<u>287,500</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 646,682</u></u>

NOTE 6 OPERATING LEASES

The Organization leases office space and office equipment expiring in various years through 2021. Rent expense incurred under operating leases for the year ended August 31, 2018 was \$57,601.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of August 31, 2018 are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2019	\$ 74,825
2020	64,580
2021	<u>26,237</u>
Total	<u><u>\$ 165,642</u></u>

**VETRI FOUNDATION FOR CHILDREN
DBA: VETRI COMMUNITY PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 7 NONCASH CONTRIBUTIONS

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization recognized \$26,729 in donated items, which were donated in connection with the Organization's special event. The Organization received donated legal services in the amount of \$17,843 for the year ended August 31, 2018. The Organization also received \$54,515 in donated labor costs from skilled volunteers involved in program delivery for the year ended August 31, 2018. The Organization also received \$1,600 in donated training for the year ended August 31, 2018. The noncash contributions have been recorded as revenue and are also included as an expense in the statement of activities.

NOTE 8 RELATED PARTY TRANSACTIONS

The Organization received contributions in the amount of \$16,437 for the year ended August 31, 2018 from various corporations in which three of the members of the Organization's board are shareholders and officers. The Organization used the services of an organization in which the CEO is a board member in the amount of \$1,400 to deliver trauma informed training to program staff.

NOTE 9 RETIREMENT PLAN

All eligible employees of the Organization participate in a 401(k) Safe Harbor Plan. Employee contributions are matched 100% up to the first 3% of the employees' compensation and 50% for the next 2% of the employees' compensation. Employer matched expense for the year ended August 31, 2018 was \$25,829.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.