

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

SO WHAT ELSE, INC

DECEMBER 31, 2020 AND
2019

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INDEPENDENT AUDITORS' REPORT

To the Members
So What Else, Inc.

Opinion

We have audited the accompanying financial statements of So What Else, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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 What Else, Inc. as of December 31, 2020 and 2019, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of So What Else, 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 What Else, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 What Else, 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 What Else, 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Vienna, Virginia
June 9, 2022

**SO WHAT ELSE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 431,974	\$ 145,767
Property and equipment	102,359	-
Deposits	2,500	2,500
TOTAL ASSETS	536,833	148,267
LIABILITIES		
Accounts payable	\$ 12,692	\$ 12,644
Notes payable	61,297	-
TOTAL LIABILITIES	73,989	12,644
NET ASSETS		
Without donor restrictions	462,844	135,623
TOTAL NET ASSETS	462,844	135,623
TOTAL LIABILITIES AND NET ASSETS	\$ 536,833	\$ 148,267

The accompanying notes are an integral part of these financial statements

**SO WHAT ELSE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER SUPPORT		
Contributions	\$ 342,601	\$ 338,715
Gala/Event contributions	207,435	236,355
Grant income	483,322	138,932
Program service income	100,959	51,619
TOTAL REVENUE AND OTHER SUPPORT	<u>1,134,317</u>	<u>765,621</u>
EXPENSES		
Program expenses	654,270	471,270
Management and general	84,004	71,828
Fundraising	175,202	211,877
TOTAL EXPENSES	<u>913,476</u>	<u>754,975</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	220,841	10,646
Gain on PPP loan forgiveness	<u>106,380</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, AT BEGINNING OF YEAR	<u>135,623</u>	<u>124,977</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, AT END OF YEAR	<u>\$ 462,844</u>	<u>\$ 135,623</u>

The accompanying notes are an integral part of these financial statements

**SO WHAT ELSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and payroll				
Payroll	\$ 482,818	\$ 43,345	\$ 88,729	\$ 614,892
Payroll taxes	34,001	3,316	7,706	45,023
	<u>516,819</u>	<u>46,661</u>	<u>96,435</u>	<u>659,915</u>
Background check expense	456	-	-	456
Bank service charge	-	1,324	-	1,324
Conferences and certifications	-	173	-	173
Dues & subscription	-	1,006	-	1,006
Continuing education	-	2,000	-	2,000
Supplies	46,889	-	-	46,889
Car & Truck	16,044	-	-	16,044
Legal & Professional	-	18,870	421	19,291
Website hosting	-	236	-	236
Group health insurance	-	9,810	-	9,810
Provided meals expense	35,032	0	-	35,032
Event expense	-	-	37,336	37,336
Insurance	14,629	-	-	14,629
Grant Expense	3,125	-	-	3,125
Marketing	-	-	35,661	35,661
Network for good fee	-	-	360	360
Paypal service fee	-	-	4,860	4,860
Program evaluation expense	14,000	-	-	14,000
Office supplies & software	-	2,725	129	2,854
Meals and entertainment	-	403	-	403
Travel & Lodging	1,263	-	-	1,263
Depreciation expense	6,013	-	-	6,013
Interest expense	-	796	-	796
	<u>\$ 654,270</u>	<u>\$ 84,004</u>	<u>\$ 175,202</u>	<u>\$ 913,476</u>

The accompanying notes are an integral part of these financial statements

**SO WHAT ELSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and payroll				
Payroll	\$ 371,285	\$ 40,866	\$ 110,087	\$ 522,238
Payroll taxes	26,756	3,126	9,644	39,526
	<u>398,041</u>	<u>43,992</u>	<u>119,731</u>	<u>561,764</u>
Background check expense	847	-	-	847
Bank service charge	-	1,120	-	1,120
Conferences and certifications	-	1,061	-	1,061
Dues & subscription	-	215	-	215
Continuing education	-	2,500	-	2,500
Supplies	20,128	-	-	20,128
Car & Truck	3,260	-	-	3,260
Legal & Professional	-	19,020	515	19,535
Website hosting	-	574	-	574
Provided meals expense	5,305	-	-	5,305
Event expense	-	-	66,353	66,353
Insurance	6,906	-	-	6,906
Grant Expense	11,324	-	-	11,324
Marketing	-	-	19,397	19,397
Network for good fee	-	-	360	360
Paypal service fee	-	-	5,223	5,223
Program evaluation expense	23,000	-	-	23,000
Office supplies & software	-	3,197	298	3,495
Field Trips	1,394	-	-	1,394
Travel & Lodging	1,065	-	-	1,065
Interest expense	-	149	-	149
	<u>\$ 471,270</u>	<u>\$ 71,828</u>	<u>\$ 211,877</u>	<u>\$ 754,975</u>

The accompanying notes are an integral part of these financial statements

**SO WHAT ELSE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets without donor restrictions	220,841	10,646
Adjustments to reconcile increase in net assets provided by operating activities:		
Depreciation	6,013	-
(Increase) decrease in:		
Deposits	-	(2,500)
Increase (decrease) in:		
Accounts payable	48	1,235
Net cash provided by operating activities	<u>226,902</u>	<u>9,381</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(44,500)</u>	-
Net cash used in investing activities	<u>(44,500)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	106,380	-
Repayment Notes Payable	<u>(2,575)</u>	-
Net cash provided by financing activities	<u>103,805</u>	-
INCREASE IN CASH AND CASH EQUIVALENTS	286,207	9,381
CASH AND CASH EQUIVALENTS - BEGINNING	145,767	136,386
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 431,974</u>	<u>\$ 145,767</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 796</u>	<u>\$ -</u>
Non-cash financing activities - Notes payable	<u>\$ 63,872</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES

So What Else, Inc. is a 501(c)(3) corporation that is incorporated in the State of Maryland. The Organization provides recreational, fitness, academic, cultural, and community service programs for at-risk youth in the Washington, DC metropolitan area. The Organization works with community leaders to improve and achieve a lasting positive change in the lives of underprivileged children and provides grants, volunteer services, and other contributions to other not-for-profit Organizations that have a similar mission, in order to strengthen the infrastructure of the non-profit community. The Organization accomplishes its mission by raising funds and providing resources to and on behalf of certain individuals and enterprises in need.

On March 9, 2020, the Organization launched the Emergency Hunger Relief Program partnering with over 100 community organizations to rescue surplus food and redistribute it to children & families across the greater DC area. The Emergency Hunger Relief Program distributes 140,000 meals and thousands of basic necessities to 30,000 individuals per week in 85 communities.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of financial reporting and the statement 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.

Net Assets

Net assets are classified based on the existence or the absence of restrictions imposed by donors. Accordingly, net assets are reported in the following classifications:

- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the Organization's mission.
- Net assets with donor restrictions - net assets subject to restrictions imposed by donors which could be temporary in nature where the restrictions are met by the Organization's actions or the passage of time, or perpetual in nature where the donor has stipulated the funds be maintained by the Organization in perpetuity. Contributions received by the Organization are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions.

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2-SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Contributed Services

No amounts have been reflected in the financial statements for donated services as of the year ended December 31, 2020 and 2019. The Organization generally pays for services requiring expertise; however, on occasion, the Organization has employed individuals who volunteer their time and perform a variety of tasks that assist the Organization in achieving their objective. No such events have occurred during the year ended December 31, 2020 or 2019.

Grant Income

The Organization received grants from several Foundations during 2020 and 2019. The grants were for the purpose of general operations and had no donor restrictions.

Income Tax Status

The Organization is a not-for-profit Organization that is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expense. Actual results could differ from the estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs, management and general, and fundraising. Expenses are allocated based on estimates of time and effort.

Property and Equipment

The Organization's policy is to capitalize property and equipment over \$5,000 and lesser amounts are expensed. Purchased property and equipment is carried at cost; donations of property and equipment are recorded as contributions at their estimated fair value – such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how donated assets are to be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line method over estimated useful lives.

NOTE 3-REVENUE CONCENTRATION

For the year ended December 31, 2020 and 2019, the aggregate amount of revenue recognized was \$1,134,317 and \$765,621, respectively. Revenues are derived from different sources: contributions, gala contributions, government grants and program service income; individually, these amounts represent 30%, 18%, 43% and 9% of the aggregate revenue recognized during the year ended December 31, 2020, respectively and for the year ended December 31, 2019 revenues were 44%, 31% and 25% for contributions, gala contributions and government grants, respectively. See Note 8 for contributions made by related parties.

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment and depreciable lives are summarized as follows:

	Amount	Useful Lives
Vehicles	\$ 95,872	5 years
Equipment	12,500	5 years
Accumulated depreciation	(6,013)	
	<u>\$ 102,359</u>	

For the year ended December 31, 2020, the Organization recognized depreciation expense of \$6,013.

NOTE 5 – NOTES PAYABLE

During 2020, the Organization acquired 3 loans with financial institutions in connection with vehicle purchases financed as follows:

	Annual Percentage	Amount Financed	Maturity Date	Monthly Payment
Note Payable Ford Transit	4.75%	\$ 20,217	9/9/2026	\$ 393
Note Payable - Mercedes Van	6.00%	30,000	10/23/2025	581
Note Payable - Ford Transit 2	5.00%	13,655	2/4/2026	258
		<u>\$ 63,872</u>		

Maturities for the next 5 years are as follows:

2021	\$11,290
2022	12,153
2023	12,825
2024	13,535
2025	12,530

NOTE 6 – PPP LOAN

The Organization received a loan from Eagle Bank in the amount of \$106,380 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was subject to a note dated April, 27, 2020. The Organization applied for and has been notified that \$106,380 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in the accompanying statements of activities.

NOTE 6 – RISK

Financial instruments which subject the Organization to concentrations of credit risk consist primarily of cash and certificates of deposit, which are maintained at domestic banks, which at times, may exceeds the limits of the amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2022, the date the financial statements were available to be issued and no subsequent events were noted other than the following:

Effective October 1, 2021, the Organization entered into a lease agreement for a walk-in refrigeration and dry good storage units for a monthly payment of \$500 for 12 months.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Organization is a not-for-profit entity focused on creating a lasting positive change for individuals who are underprivileged. The Organization receives contributions and grants from donors, which are then expended accordingly or contributed to another not-for-profit institution with a mission in alignment with the Organization's mission, for them to expend. With regard to individuals contributors contributing aggregate amounts exceeding \$5,000, the following members from the Organization's Board of Directors, had contributed the following amounts during the year ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>Relationship</u>
Ammerman Family Foundation	\$ 10,000	\$11,000	BOD
Brett Bernstein/XML	5,000	10,000	BOD
Scott Mendelson/Edge	-	7,500	BOD
Greg Minkoff/Minkoff Co.	15,000	14,500	BOD
Brad Sherman	100	-	BOD
Meredith Heller	250	-	BOD
Michelle Cooper	500	-	BOD
Josh Ross	3,375	-	BOD
Ross Fierman	1,222	-	BOD
Bob Schless/Robert Joseph	18,640	28,585	BOD/Co-Founder
Dave Silbert	-	11,813	ED/Co-Founder
Rich & Fran Silbert	-	50,000	Related Party
Caryn Clayman	-	10,000	Related Party
	<u>\$54,087</u>	<u>\$143,398</u>	