

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

SO WHAT ELSE, INC.

DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

6903 Rockledge Drive
Suite 300
Bethesda, MD 20817
301-564-3636



RUBINO

STRENGTH IN NUMBERS

1960 Gallows Road
Suite 340
Vienna, VA 22182
703-506-9700

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 statements of financial position as of December 31, 2022 and 2021, 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, 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 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 cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned above the typed name and date.

Vienna, Virginia
January 25, 2024

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

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 673,929	\$ 603,149
Property and equipment	197,748	157,722
Receivables	2,261	-
Deposits	-	500
TOTAL ASSETS	\$ 873,938	\$ 761,371
LIABILITIES		
Accounts payable	27,438	21,776
Notes payable	129,393	93,270
TOTAL LIABILITIES	156,831	115,046
NET ASSETS		
Without donor restrictions	717,107	646,325
TOTAL NET ASSETS	717,107	646,325
TOTAL LIABILITIES AND NET ASSETS	\$ 873,938	\$ 761,371

The accompanying notes are an integral part of these financial statements

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

	2022	2021
REVENUE AND OTHER SUPPORT		
Contributions	\$ 708,628	\$ 639,930
Gala/Event contributions	431,709	216,945
Grant income	1,354,527	923,986
Program service income	-	13,050
Other Income	159	2,194
TOTAL REVENUE AND OTHER SUPPORT	2,495,023	1,796,105
EXPENSES		
Program expenses	1,863,053	1,220,212
Management and general	211,617	144,937
Fundraising	349,571	247,475
TOTAL EXPENSES	2,424,241	1,612,624
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	70,782	183,481
NET ASSETS WITHOUT DONOR RESTRICTIONS, AT BEGINNING OF YEAR	646,325	462,844
NET ASSETS WITHOUT DONOR RESTRICTIONS, AT END OF YEAR	\$ 717,107	\$ 646,325

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, 2022

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and payroll				
Payroll	\$ 1,163,275	\$ 117,561	\$ 155,335	\$ 1,436,171
Payroll taxes	104,943	9,405	6,311	120,659
	<u>1,268,218</u>	<u>126,966</u>	<u>161,646</u>	<u>1,556,830</u>
Background check expense	1,583	-	-	1,583
Bank service charge	-	1,893	-	1,893
Credit card fees	-	-	6,729	6,729
Conferences and certifications	-	4,830	-	4,830
Dues & subscription	-	7,348	-	7,348
Continuing education	-	1,000	-	1,000
Supplies	155,617	-	-	155,617
Car & Truck	108,683	-	-	108,683
Legal & Professional	-	35,750	-	35,750
Website hosting	-	607	-	607
Group health insurance	-	15,345	-	15,345
Payroll processing	-	4,087	-	4,087
Provided meals expense	47,564	-	-	47,564
Event expense	-	-	134,300	134,300
Insurance	52,959	-	-	52,959
Grant Expense	155,591	-	-	155,591
Marketing	-	-	44,686	44,686
Paypal service fee	-	-	2,210	2,210
Office supplies & software	-	6,381	-	6,381
Meals and entertainment	-	564	-	564
Rent Expense	24,616	-	-	24,616
Late Fees	-	310	-	310
Field Trips	202	-	-	202
Travel & Lodging	2,880	-	-	2,880
Depreciation expense	39,906	-	-	39,906
Repairs and maintenance	5,234	-	-	5,234
Interest expense	-	6,536	-	6,536
	<u>\$ 1,863,053</u>	<u>\$ 211,617</u>	<u>\$ 349,571</u>	<u>\$ 2,424,241</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, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and payroll				
Payroll	\$ 872,665	\$ 81,072	\$ 118,813	\$ 1,072,550
Payroll taxes	74,273	6,203	9,089	89,565
	<u>946,938</u>	<u>87,275</u>	<u>127,902</u>	<u>1,162,115</u>
Background check expense	911	-	-	911
Bank service charge	-	2,438	-	2,438
Credit card fees	-	-	4,477	4,477
Conferences and certifications	-	3,573	-	3,573
Dues & subscription	-	6,461	-	6,461
Supplies	67,083	-	-	67,083
Car & Truck	51,212	-	-	51,212
Legal & Professional	-	13,800	421	14,221
Website hosting	-	249	-	249
Group health insurance	-	19,086	-	19,086
Provided meals expense	58,574	-	-	58,574
Event expense	-	-	77,186	77,186
Insurance	20,036	-	-	20,036
Grant Expense	41,089	-	-	41,089
Marketing	-	-	34,225	34,225
Network for good fee	-	-	150	150
Paypal service fee	-	-	2,733	2,733
Office supplies & software	-	4,281	381	4,662
Meals and entertainment	-	327	-	327
Rent Expense	-	5,598	-	5,598
Late Fees	-	554	-	554
Field Trips	2,801	-	-	2,801
Travel & Lodging	95	-	-	95
Depreciation expense	29,140	-	-	29,140
Repairs and maintenance	2,333	-	-	2,333
Interest expense	-	1,295	-	1,295
	<u>\$ 1,220,212</u>	<u>\$ 144,937</u>	<u>\$ 247,475</u>	<u>\$ 1,612,624</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>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets without donor restrictions	\$ 70,782	\$ 183,481
Adjustments to reconcile increase in net assets provided by operating activities:		
Depreciation	39,906	29,140
(Increase) decrease in:		
Receivables	(2,261)	
Deposits	500	2,000
Increase (decrease) in:		
Accounts payable	5,662	9,084
Net cash provided by operating activities	<u>114,589</u>	<u>223,705</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(25,000)</u>	<u>(33,951)</u>
Net cash used in investing activities	<u>(25,000)</u>	<u>(33,951)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment Notes Payable	<u>(18,809)</u>	<u>(18,579)</u>
Net cash used in financing activities	<u>(18,809)</u>	<u>(18,579)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	70,780	171,175
CASH AND CASH EQUIVALENTS - BEGINNING	<u>603,149</u>	<u>431,974</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 673,929</u>	<u>\$ 603,149</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 6,536</u>	<u>\$ 1,295</u>
Non-cash financing activities - Notes payable	<u>\$ 54,932</u>	<u>\$ 50,552</u>

The accompanying notes are an integral part of these financial statements

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, D.C. 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 D.C. 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, 2022 AND 2021

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, 2022 and 2021. 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, 2022 or 2021.

Grant Income

The Organization received grants from several Foundations during 2022 and 2021. 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.

New Accounting Pronouncements Adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which provides the principles for the recognition, measurement, presentation and disclosure of leases. The objective of this ASU, along with several related ASUs issued subsequently, is to increase the transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance (ASC 840) is the recognition of a right of- use (ROU) asset and lease liability on the balance sheet. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases previously classified as operating leases.

**SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2-SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As part of the transition to the new standard, the Organization was required to measure and recognize leases that existed at January 1, 2022 using a modified retrospective approach. For leases existing at the effective date, the Organization elected a package of three transition practical expedients and therefore did not reassess whether an arrangement contains a lease, did not reassess lease classification, and did not reassess what qualified an initial direct cost. Additionally, the Organization elected, as a practical expedient, not to use hindsight for purposes of determining lease terms.

The Organization has elected not to record ROU assets and lease liabilities on its statement of financial position for lease arrangements with terms of 12 months or less. Lease expense is recognized on a straight-line basis over the lease term.

NOTE 3-REVENUE CONCENTRATION

For the year ended December 31, 2022 and 2021, the aggregate amount of revenue recognized was \$2,495,023 and \$1,796,105, respectively. Revenues are derived from different sources: contributions, gala and fundraising events, government grants and program service income; individually, these amounts represent 28%, 17%, and 54% of the aggregate revenue recognized during the year ended December 31, 2022, respectively and for the year ended December 31, 2021 revenues were 36%, 12%, 51% and 1%, respectively. See Note 8 for contributions made by related parties.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment and depreciable lives are summarized as follows:

	<u>2022</u>	<u>2021</u>	Useful Lives
Vehicles	\$ 236,356	\$ 156,424	5 years
Equipment	36,450	36,450	5 years
Accumulated depreciation	<u>(75,058)</u>	<u>(35,152)</u>	
	<u>\$ 197,748</u>	<u>\$ 157,722</u>	

For the years ended December 31, 2022 and 2021, the Organization recognized depreciation expense of \$39,906 and \$29,140, respectively.

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – NOTES PAYABLE

The Organization has acquired 5 loans with financial institutions in connection with vehicle purchases financed as follows:

	Acquired	Annual Percentage	Original Amount Financed	Maturity Date
Note Payable Ford Transit	2020	4.75%	\$ 20,217	9/9/2026
Note Payable - Mercedes Van	2020	6.00%	30,000	10/23/2025
Note Payable - Ford Transit 2	2020	5.00%	13,655	2/4/2026
Note Payable - TruckRefrigerator	2021	4.99%	50,552	6/5/2026
Note Payable - Insulation Truck	2022	9.20%	54,932	12/1/2027
			<u>\$ 169,356</u>	

Maturities for the next 5 years are as follows:

2023	\$33,865
2024	33,865
2025	33,679
2026	18,829
2027	9,155

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”).

NOTE 7 - COMMITMENTS

Effective April 1, 2023, the Organization entered into a warehouse lease agreement for a term of 15 years and 4 months with monthly payments in accordance with the following schedule.

Period	Period Minimum Rent
4/01/2023 – 3/31/2024	\$150,000
4/01/2024 – 3/31/2025	\$154,500
4/01/2025 – 3/31/2026	\$159,135
4/01/2026 – 3/31/2027	\$163,909
4/01/2027 – 3/31/2028	\$168,826
4/01/2028 – 7/31/2028	\$57,964

Beginning the sixth lease year, minimum rent shall escalate a rate equal to the greater of 60% of the percentage point increase in the CPI-W Index for the five-year period ending two months prior to the escalation date, or 3% cumulatively, over the prior 12 months minimum rent as previously adjusted.

SO WHAT ELSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 expand. With regard to individual 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Relationship</u>
Dave Silbert	\$ 13,000	\$ 11,500	ED/Co-Founder
Bob Schless/Robert Joseph Group	18,000	16,500	BOD/Co-Founder
Nicole Davis	15,000	32,500	BOD
Greg Minkoff/Minkoff Co.	15,000	12,500	BOD
Ammerman Family Foundation	10,000	10,000	BOD
Brett Bernstein/XML	25,000	5,500	BOD
Scott Mendelson/Edge	5,000	3,000	BOD
Brad Sherman	10,000	11,340	BOD
Amy Holmwood	5,000	11,000	BOD
Jane Dunigan	7,500	6,500	BOD
Meredith Heller	-	1,450	BOD
Michelle Cooper	11,000	1,000	BOD
Josh Ross	7,000	1,000	BOD
Tosha Dyson	-	1,000	BOD
Brad Cohen	-	1,000	BOD
Amy Katz	6,000	-	BOD
Jenn Snyder	17,500	13,600	BOD
	<u>\$ 165,000</u>	<u>\$ 139,390</u>	

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 25, 2024, the date the financial statements were available to be issued.