Chef Ann Foundation

(a nonprofit Colorado corporation)

Financial Statements

December 31, 2023 and 2022

Chef Ann Foundation

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BROCK CPAS

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Independent Auditor's Report

To the Board of Directors
Chef Ann Foundation
Boulder, Colorado

Opinion

We have audited the financial statements of Chef Ann Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Chef Ann Foundation as of December 31, 2023 and 2022, 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 Chef Ann Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the 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 these 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 Chef Ann Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Chef Ann Foundation'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 Chef Ann Foundation'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
July 18, 2024

Chef Ann Foundation

Statements of Financial Position

December 31	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,809,035**	$ 1,812,719
Contributions receivable	**2,615,526**	802,961
Prepaid expenses	**17,379**	400
Total current assets	**4,441,940**	2,616,080
Equipment		
Office equipment	**9,347**	9,347
Less accumulated amortization	**(9,347)**	(9,347)
Net equipment	**-**	-
Other Assets		
Deposit	**400**	400
Total assets	**$ 4,442,340**	$ 2,616,480
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 914,605**	$ 69,173
Accrued compensation and benefits	**267,900**	106,752
Total current liabilities	**1,182,505**	175,925
Net Assets		
Without donor restrictions	**(1,815,205)**	562,680
With donor restrictions	**5,075,040**	1,877,875
Total net assets	**3,259,835**	2,440,555
Total liabilities and net assets	**$ 4,442,340**	$ 2,616,480

The accompanying Notes are an integral part of these financial statements

Chef Ann Foundation

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Contributions and grants	$ 336,862	$ 8,366,876	$ 8,703,738
Net assets released from restrictions			
Satisfaction of purpose restrictions	5,169,711	(5,169,711)	-
Total operating support	5,506,573	3,197,165	8,703,738
Operating Revenue			
Enrollment fees	40,042	-	40,042
Total operating support and revenue	5,546,615	3,197,165	8,743,780
Operating Expenses			
Program services	6,770,032	-	6,770,032
Supporting services			
General and administrative	601,622	-	601,622
Fundraising	559,477	-	559,477
Total operating expenses	7,931,131	-	7,931,131
Total operating support and revenue in excess (deficit) of operating expenses	(2,384,516)	3,197,165	812,649
Other Changes			
Interest income	1,882	-	1,882
Other income	4,749	-	4,749
Total other changes	6,631	-	6,631
Change in Net Assets	(2,377,885)	3,197,165	819,280
Net Assets, Beginning of Year	562,680	1,877,875	2,440,555
Net Assets, End of Year	$ (1,815,205)	$ 5,075,040	$ 3,259,835

The accompanying Notes are an integral part of these financial statements

Chef Ann Foundation

Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Contributions and grants	$ 731,556	$ 3,010,118	$ 3,741,674
Net assets released from restrictions			
Satisfaction of purpose restrictions	2,211,975	(2,211,975)	-
Total operating support	2,943,531	798,143	3,741,674
Operating Revenue			
Enrollment fees	20,210	-	20,210
Total operating support and revenue	2,963,741	798,143	3,761,884
Operating Expenses			
Program services	2,401,700	-	2,401,700
Supporting services			
General and administrative	231,127	-	231,127
Fundraising	223,826	-	223,826
Total operating expenses	2,856,653	-	2,856,653
Total operating support and revenue in excess of operating expenses	107,088	798,143	905,231
Other Changes			
Interest income	1,803	-	1,803
Other income	3,000	-	3,000
Total other changes	4,803	-	4,803
Change in Net Assets	111,891	798,143	910,034
Net Assets, Beginning of Year	450,789	1,079,732	1,530,521
Net Assets, End of Year	$ 562,680	$ 1,877,875	$ 2,440,555

The accompanying Notes are an integral part of these financial statements

Chef Ann Foundation

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 2,558,716	$ 252,277	$ 355,630	$ 3,166,623
Payroll taxes	215,643	21,271	29,971	266,885
Employee benefits	195,293	19,263	27,143	241,699
Total personnel costs	2,969,652	292,811	412,744	3,675,207
Marketing	1,209,811	72,865	12,496	1,295,172
Salad bars and other program expenses	842,956	-	-	842,956
Contract services	681,969	64,028	57,360	803,357
Travel	377,425	94,719	5,415	477,559
Information technology	269,477	26,581	37,453	333,511
Grants	205,000	-	-	205,000
Miscellaneous expenses	45,160	4,460	6,345	55,965
Dues and subscriptions	40,189	4,391	10,515	55,095
Legal and professional	42,947	4,236	5,969	53,152
Office expenses	33,184	3,273	4,612	41,069
Professional development	9,777	29,330	-	39,107
Printing and postage	17,974	1,653	1,119	20,746
Meetings and staff expenses	8,992	1,064	3,292	13,348
Insurance	9,992	986	1,389	12,367
Occupancy	3,555	351	494	4,400
Bank and credit card fees	1,972	195	274	2,441
Interest expense	-	679	-	679
Total operating expenses	$ 6,770,032	$ 601,622	$ 559,477	$ 7,931,131

The accompanying Notes are an integral part of these financial statements

Chef Ann Foundation

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 1,018,097	$ 84,864	$ 144,168	$ 1,247,129
Payroll taxes	81,895	7,039	11,625	100,559
Employee benefits	67,232	5,779	9,543	82,554
Total personnel costs	1,167,224	97,682	165,336	1,430,242
Salad bars and other program expenses	640,058	-	-	640,058
Contract services	237,586	62,288	11,265	311,139
Travel	82,445	46,564	6,593	135,602
Information technology	45,539	3,914	6,464	55,917
Marketing	40,819	3,509	5,794	50,122
Grants	50,000	-	-	50,000
Legal and professional	37,964	3,263	5,389	46,616
Office expenses	27,090	2,328	3,845	33,263
Dues and subscriptions	21,096	2,306	9,541	32,943
Miscellaneous expenses	17,380	1,494	2,467	21,341
Meetings and staff expenses	12,129	1,043	1,722	14,894
Printing and postage	8,782	1,662	3,481	13,925
Insurance	8,842	760	1,255	10,857
Occupancy	3,909	336	555	4,800
Professional development	-	3,906	-	3,906
Bank and credit card fees	709	61	101	871
Depreciation	128	11	18	157
Total operating expenses	$ 2,401,700	$ 231,127	$ 223,826	$ 2,856,653

The accompanying Notes are an integral part of these financial statements

Chef Ann Foundation

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	**2023**	2022
Cash Flows From Operating Activities		
Change in net assets	**$ 819,280**	$ 910,034
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	**-**	157
Increase (decrease) from changes in assets and liabilities		
Contributions receivable	**(1,812,565)**	(787,405)
Prepaid expenses	**(16,979)**	-
Accounts payable	**845,432**	41,218
Accrued compensation and benefits	**161,148**	49,266
Net cash provided (used) by operating activities	**(3,684)**	213,270
Net Increase (Decrease) in Cash and Cash Equivalents	**(3,684)**	213,270
Cash and Cash Equivalents, Beginning of Year	**1,812,719**	1,599,449
Cash and Cash Equivalents, End of Year	**$ 1,809,035**	$ 1,812,719
Supplemental Cash Flow Information		
Cash paid for interest	**$ 679**	$ -

The accompanying Notes are an integral part of these financial statements

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Chef Ann Foundation (the Organization) is a Colorado non-profit corporation established in October 2008 to provide school communities with the tools, training, resources and funding that enables them to create healthier food and redefine lunchroom environments. The Organization's vision is to help schools take action so that every child has daily access to fresh, healthy food. The Organization carries out that vision by actively supporting school districts nationwide through grant programs and by providing tried and tested tools for school food change. Funding for the Organization is primarily obtained through charitable grants and contributions from interested parties.

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

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

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

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

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

Cash and Cash Equivalents. Cash consists of a checking and savings accounts held at a financial institution. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2023 and 2022, management believes all contributions receivable are fully collectible, and accordingly, no allowance for doubtful contributions has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

Equipment. It is the Organization's policy to capitalize equipment at cost for purchases over $5,000, while repair and maintenance items are charged to expense. Donations of equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally five years for office equipment. Depreciation expense totaled $157 for the year ended December 31, 2022. There was no depreciation expense for the year ended December 31, 2023.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2023 and 2022.

Revenue Recognition. The Organization earns revenue from contracts with customers by providing training courses through the School Food Institute program. The Organization accounts for these revenues under Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The enrollment fees are a fixed fee arrangement and are billed in advance of the service at registration. Enrollment fees are recognized over time (output method) as the services are rendered and as the customer simultaneously receives and consumes the benefits of the services, which is generally within a day. Amounts that have been invoiced are recorded in accounts receivable and in either deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Organization generally does not experience changes in the transaction price subsequent to the inception of its contracts.

Enrollment fee revenue recognized under contracts with customers for the years ended December 31, 2023 and 2022 was $40,042 and $20,210, respectively. The Organization did not have any accounts receivable or contract assets associated with enrollment fees as of December 31, 2023 and 2022, or as of January 1, 2022. The Organization routinely collects fees in advance of services being provided, which are recorded as deferred revenue (contract liabilities) on the statement of financial position. The Organization did not have any contract liabilities as of December 31, 2023 and 2022, or as of January 1, 2022.

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

Contributed Services. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services for the years ended December 31, 2023 and 2022.

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

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

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 18, 2024, the date at which the financial statements were available for release.

Note 2 – Liquidity and Availability

The Organization had $4,424,561 and $2,615,680 in financial assets available within one year of December 31, 2023 and 2022, respectively. The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the guiding principles. Additionally, the Organization has a committed line of credit in the amount of $250,000 at December 31, 2023, which is available if needed.

Note 3 – Contributions Receivable

Contributions receivable were $2,615,526 and $802,961 as of December 31, 2023 and 2022, respectively. Amounts outstanding at December 31, 2022 were collected during the year ended December 31, 2023, and management estimates the outstanding amount at December 31, 2023 will be collected during the year ending December 31, 2024.

Note 4 – Line of Credit Subsequent Event

The Organization has a $250,000 line of credit agreement with BOK Financial with no outstanding borrowings at December 31, 2023 and 2022. The agreement bears interest at 2.82% over the secured overnight financing rate and cannot be less than 3.00% (8.21% at December 31, 2023), and is collateralized by all business assets. The agreement matures in April 2025.

In January 2024, the Organization amended the line of credit agreement with BOK Financial. The amount available to borrow increased to $500,000 and the agreement bears interest at 2.54% over the secured overnight financing rate. All other significant terms remained consistent with the original agreement.

Note 5 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years December 31, 2023 and 2022:

	Purpose Restrictions			
	Learning and Resource Initiatives	Salad Bars to Schools	Time Restrictions	Total
Balance, January 1, 2022	$ 1,003,214	$ 76,518	$ -	$ 1,079,732
Additions	2,439,969	570,149	-	3,010,118
Releases	(1,578,226)	(633,749)	-	(2,211,975)
Balance, December 31, 2022	1,864,957	12,918	-	1,877,875
Additions	**5,554,746**	**196,604**	**2,615,526**	**8,366,876**
Releases	**(4,988,171)**	**(181,540)**	**-**	**(5,169,711)**
Balance, December 31, 2023	**$ 2,431,532**	**$ 27,982**	**$ 2,615,526**	**$ 5,075,040**

Note 6 – Conditional Promise to Give

In December 2022, the Organization was awarded a grant totaling $43,181,435. The grant agreement requires program objectives to be achieved by the Organization and are subject to the grantor's review and approval prior to receiving future payments. Grant revenue recognized through December 2023 totaled $4,681,429, and the remaining balance to be earned is expected to be received through June 2025 upon completion of certain program objectives. The conditional promise to give will be recognized as revenue upon completion of those objectives.

Note 7 – Related Party Transactions

The Organization contracts with an entity controlled by an officer of the board of directors for training services. The Organization recognized expenses for payments made to the related party of $258,904 in 2023 and $130,213 in 2022.

Note 8 – Retirement Plan

The Organization maintains a 403(b) plan covering substantially all employees with 1,000 hours of service. The plan allows the Organization to make a discretionary matching contribution. The employer matching contributions are fully vested after three years. Matching contributions to the plan were $23,052 and $23,044 during the years ended December 31, 2023 and 2022.

Note 9 – Concentrations of Credit Risk

Bank Deposits. The Organization routinely maintains cash balances in excess of federally insured limits.

Major Donors. The Organization had two donors that comprised 59% of total support and revenue for the year ended December 31, 2023. Contributions receivable outstanding from the donors totaled $2,173,271 at December 31, 2023. The Organization had three donors that comprised 49% of total support and revenue for the year ended December 31, 2022. Contributions receivable outstanding from the donors totaled $513,885 at December 31, 2022.