

COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024



COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of  
Coffee for Good, Inc.

We have reviewed the accompanying financial statements of Coffee for Good, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Coffee for Good, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Eck Tax + Accounting, LLC*

Eck Tax & Accounting, LLC  
Park Ridge, New Jersey  
December 1, 2024

COFFEE FOR GOOD, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2024

**ASSETS**

Current Assets:

Cash	\$ 311,632
Investments - Certified Deposits	155,462
Merchandise inventory	19,744
Total Current Assets	<u>486,838</u>

Property and equipment, net	191,090
Right of use asset	246,240

<b>TOTAL ASSETS</b>	<b><u>\$ 924,168</u></b>
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**LIABILITIES AND NET ASSETS**

Current Liabilities:

Gift card balances	\$ 29,609
Credit card payable	10,676
Sales tax payable	2,309
Lease liability - current	79,088
Total Current Liabilities	<u>121,682</u>

Lease liability - noncurrent	167,152
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**NET ASSETS**

Without donor restrictions	635,334
With donor restrictions	<u>-</u>

Total Net assets	<u>635,334</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 924,168</u></b>
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COFFEE FOR GOOD, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Food sales	\$ 336,770	\$ -	\$ 336,770
Contributions	343,328	-	343,328
Merchandise sales	41,606	-	41,606
Interest and other income	7,743	-	7,743
Net assets released from restriction			-
<b>Total Revenues, Gains and Other Support</b>	<b>729,447</b>	<b>-</b>	<b>729,447</b>
<b>Expenses:</b>			
Program services	493,086	-	493,086
General and administrative	19,535	-	19,535
Fundraising	35	-	35
<b>Total Expenses</b>	<b>512,656</b>	<b>-</b>	<b>512,656</b>
<b>Increase in net assets</b>	<b>216,791</b>	<b>-</b>	<b>216,791</b>
Net assets at beginning of year	418,543	-	418,543
<b>Net assets at end of year</b>	<b>\$ 635,334</b>	<b>\$ -</b>	<b>\$ 635,334</b>

COFFEE FOR GOOD, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 166,685	\$ 3,095	\$ -	\$ 169,780
Payroll taxes	15,342	313	-	15,655
Payroll and Related Expenditures	<u>182,027</u>	<u>3,408</u>	<u>-</u>	<u>185,435</u>
Food costs	94,874	-	-	94,874
Facility lease	84,360	-	-	84,360
Restaurant supplies	23,241	-	-	23,241
Merchandise	15,017	-	-	15,017
Employee meal allowance	10,779	-	-	10,779
Credit card processing fees	16,210	-	-	16,210
Professional fees	-	7,927	-	7,927
Utilities	5,330	-	-	5,330
Insurance	-	4,059	-	4,059
Facility maintenance	6,499	-	-	6,499
Computer and internet	34,662	-	-	34,662
Advertising	-	2,765	-	2,765
Shipping	3,677	-	-	3,677
Other	-	50	35	85
Licenses and registrations	-	475	-	475
Office and administrative	-	851	-	851
Charitable contributions	-	-	-	-
Total Expenses Before Depreciation	<u>476,676</u>	<u>19,535</u>	<u>35</u>	<u>496,246</u>
Depreciation and amortization	16,410	-	-	16,410
Total Functional Expenses	<u><u>\$ 493,086</u></u>	<u><u>\$ 19,535</u></u>	<u><u>\$ 35</u></u>	<u><u>\$ 512,656</u></u>

See independent accountant's review report and notes to financial statements.

COFFEE FOR GOOD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	216,791
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**Adjustments to reconcile change in net assets to net cash from operating activities:**

Depreciation		16,410
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**Changes in assets and liabilities:**

Merchandise inventory		(6,742)
Investments		(155,462)
Gift cards		7,902
Sales tax payable		(4,884)
Credit card payable		(746)

Net Cash (Used In)/Provided By Operating Activities		73,269
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Net Change in Cash		73,269
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**CASH**

Beginning of year		238,363
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End of year	\$	311,632
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**Supplemental disclosures of cash flow information:**

Interest paid	\$	-
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COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - NATURE OF ORGANIZATION**

Coffee for Good is not your ordinary high-end coffee shop, it is also a training platform for people with intellectual and developmental disabilities. Our goal is to be a self-sustaining, nonprofit that provides employment-based training for people with disabilities. Coffee for Good will be giving our trainees the opportunity to succeed and be part of the local workforce.

Our mission is to improve the lives of people with disabilities by reducing the unemployment rate in that community.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared under the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis of Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board of trustees may designate assets without restrictions for specific operational purposes from time to time.

***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Revenue Recognition**

***Contributions:*** Contributions are recognized as net assets without donor restrictions unless their use is specifically restricted by the donor. When a donor restriction expires, the stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Contributions for which restrictions are fulfilled in the same time period in which the contributions are received are recognized as net assets without donor restrictions. Contributions that are permanently restricted by the donor, from which the Organization may only draw from the permanently restricted assets in accordance with direction from the donor (e.g., income only, a defined percentage, income plus realized gains, etc.)



COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventory**

Inventory is made up of merchandise items (T-shirts, coffee mugs, water bottles...) and is valued at cost on the balance sheet.

**Property and Equipment**

Expenditures for property and equipment are capitalized at cost, if purchased, or at estimated fair values on dates donated. Purchases of \$1,000 or more are capitalized as incurred. Repairs and maintenance to existing facilities are expensed as incurred. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Property and equipment are depreciated using the straight-line method based on the following estimated useful lives of the assets:

Leasehold improvements	15 years
Furniture and fixtures	7 years
Equipment	3 to 5 years

**Use of Estimates**

The Preparation of financial statements in conformity with generally accepted accounting principles 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. The Organization regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

**Functional Expenses**

Functional expenses have been allocated between program, management and general and fundraising services based upon actual costs and percentage of personnel time devoted to each area. Certain overhead costs have been allocated based upon analysis of aggregate charges within each functional area.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense was \$2,765 for the year ended June 30, 2024.

**Uncertainty in Income Taxes**

The Organization evaluates all significant tax provisions as required by accounting practices generally accepted in the United States of America. As of June 30, 2024, the Organization does not believe that it has taken any positions that would require recording any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

Generally, federal and state authorities may examine the Organization's informational tax returns for the three years from date of filing. Consequently, income tax returns for years prior to 2020 are no longer subject to examination by tax authorities.

COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**Cash and Cash Equivalents**

For the purposes of the Statements of Cash Flows, the Organization considers all dollar-denominated, highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

**Fair Value Measurements**

In accordance with ASC 820, the Organization discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy established under ASC 820 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization's investments are classified within the fair value measurement. The three levels of the fair value hierarchy under ASC 820, and its applicability to the Organization's portfolio investments, are described below.

*Level 1* - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

*Level 2* - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**Going Concern**

The financial statements have been prepared under the going concern basis of accounting. Under this presumption, the Organization is reasonably expected to remain in existence and honor all its commitments for the foreseeable future.

COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 3 - LIQUIDITY**

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 311,632
Investments – Certified Deposits	155,462
Inventory	<u>19,744</u>
Total	\$ 486,838
Less: Pledges receivable no collectible within one year	<u>\$ -</u>
Financial assets available to meet cash needs for general expenditures within one year:	\$ 486,838

**NOTE 4 – INVESTMENTS**

The Organization's investments are measured and recorded at fair value. They have been categorized based upon a fair value hierarchy, in accordance with generally accepted accounting standards. See note 2 for the Organization's accounting policies regarding this hierarchy.

The following table presents information about the Organization's investments measured at fair value as of June 30, 2024:

Asset	Fair value measurements at reporting date using			Balance June 30 2024
	Level 1	Level 2	Level 3	
Certificate of Deposit	<u>\$ 155,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,462</u>

**NOTE 5 - CONTRIBUTIONS**

A contribution is defined as an unconditional transfer of cash or assets to a new owner in a manner that is voluntary and is nonreciprocal. Contribution revenue was \$233,328 for the year ended June 30, 2024.

COFFEE FOR GOOD, INC.  
FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2024:

Leasehold improvements	204,459
Machinery and equipment	<u>19,451</u>
	223,910
Less: accumulated depreciation	16,410
Total Property and Equipment, net	<u>\$ 207,500</u>

Depreciation was \$16,410 for the year ended June 30, 2024.

**NOTE 7 - NET ASSETS**

Net assets without donor restrictions are available to finance general operations of the Organization and may be expended at the discretion of the Organization's board of trustees. The net assets without donor restrictions consists of the following:

	<b><u>2024</u></b>
Net Assets without Donor Restrictions	\$ 635,334
Net Assets with Donor Restrictions	<u>0</u>
Total	<u>\$ 635,334</u>

**NOTE 8 - CONCENTRATIONS**

The Organization maintains its cash and cash equivalents at high-credit, quality financial institutions. The balances in cash accounts may at times exceed federally insured limits. As of June 30, 2024, the Organization's bank cash balances did not exceeded Federal Deposit Insurance Corporation ("FDIC") limits. The Organization regularly monitors the financial conditions of the banking institutions and endeavors to keep potential risk at minimum.

**NOTE 9 - INCOME TAXES**

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Contributions made to the Organization are qualified for the maximum tax deductions allowable under the United States Internal Revenue Code. The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) annually. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has determined it has no activities subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS, for the years ended June 30, 2024.

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FINANCIAL STATEMENTS  
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**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

The Organization had a 3 year lease for the space through June 30, 2027. Total lease expense is \$84,360 for the year ended June 30, 2024.

The lease requires minimum monthly payments in the amount of \$7,270 starting in July of 2024. Future annual minimum lease payments under the operating leases for the three years ending June 30, are as follows:

2025	\$ 87,240
2026	87,240
2027	<u>87,240</u>
	<u>\$ 261,720</u>

Effective July 1, 2023, the Company reports rent expense as lease expense. The Company calculated its operating right-of-use assets and operating lease liabilities over the remaining term of 3 years using its incremental borrowing rate of 4%.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of June 30, 2024:

Operating lease right-of-use assets, net of amortization	<u>\$ 246,240</u>
Current portion of operating lease liabilities	\$ 79,088
Operating lease liabilities	<u>167,152</u>
Total operating lease liabilities	<u>\$ 246,240</u>

The maturities of operating lease liabilities as of June 30, 2024, are as follows:

2025	\$ 85,379
2026	82,037
2027	<u>78,825</u>
Present value of operating lease liabilities	<u>\$ 246,240</u>

**NOTE 11 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Organization evaluated subsequent events through December 1, 2024, the date these financial statements were available to be issued. There are no material subsequent events that have occurred subsequent to the financial position date through, December 1, 2024 that required recognition or additional disclosure in these financial statements.