ELITE Financial & Accounting Services, Inc.

Audited Financial Statements of:

SALT OUTREACH, INC.

Year ended December 31, 2019

SALT OUTREACH, INC.

Audited Financial Statements
Year ended December 31, 2019

TABLE OF CONTENTS

ELITE FINANCIAL & ACCOUNTING SERVICES, INC.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
SALT OUTREACH, INC.

Report on the Financial Statements
We have audited the accompanying financial statements of SALT Outreach, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2019 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.

Auditor's 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 comply with ethical requirements and 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 auditor's 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. 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.

Cont'd

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SALT Outreach, Inc. as of December 31, 2019 and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Elite Financial & Accounting Services

ELITE Financial & Accounting Services, Inc
Orlando, FL

October 8, 2020

1427 Osprey Hunt LN
Eustis, FL 32736

Phone: 770-713-8729
Email:
edlyn@elite1financials.com

SALT OUTREACH, INC.

Statement of Financial Position

For the year ended December 31, 2019

		2019
ASSETS		
Current Assets		
Cash and cash equivalents	$	13,826
Total Current Assets		**13,826**
Fixed Assets		
Clothing Trailer		2,873
Shower Trailer		38,040
Solar Panels - Shower Trailer		6,900
Vehicles		28,060
Less: Accumulated Depreciation		(14,988)
Total Net Fixed Assets		**60,885**
TOTAL ASSETS	**$**	**74,711**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities		2,046
Total Current Liabilities		**2,046**
NET ASSETS		
Net Assets Without Donor Restrictions		69,566
Net Assets With Donor Restrictions		3,100
Total NET ASSETS		**72,665**
TOTAL LIABILITIES AND NET ASSETS	**$**	**74,711**

See Accompanying Notes to Financial Statements

SALT OUTREACH, INC.

Statement of Activities
For the year ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL NET ASSETS
PUBLIC SUPPORT & REVENUE			
Contributions - Individuals	$ 46,118	7,646	$ 53,763
Contributions - Corporations	20,805	10,000	30,805
Fundraising Events	6,880	-	6,880
Donated Goods	5,300	-	5,300
Total Public Support and Revenue before Transfers	**$ 79,103**	**$ 17,646**	**$ 96,748**
Net Assets Released From Restrictions due to Satisfaction of Donor-imposed Requirements	14,546	(14,546)	-
Total Public Support and Revenue	**$ 93,649**	**$ 3,100**	**$ 96,748**
EXPENSES:			
Program	51,702	-	51,702
Management & General	7,661	-	7,661
Fundraising	6,300	-	6,300
Total Expenses	**$ 65,664**	**$ -**	**$ 65,664**
NET CHANGES IN NET ASSETS	**27,985**	**3,100**	**31,085**
NET ASSETS:			
Net Assets, Beginning of Year	41,580	-	41,580
Net Assets, End of Year	**$ 69,565**	**$ 3,100**	**$ 72,665**

See Accompany Notes to Financial Statements

SALT OUTREACH, INC.

Statement of Functional Expenses

For the year ended December 31, 2019

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Compensation	$ -	$ 2,731	$ -	$ 2,731
Employer Payroll Taxes	-	-	-	-
Employee Benefits	-	-	-	-
Total Compensation and Related Expenses	**$ -**	**$ 2,731**	**$ -**	**$ 2,731**
Advertising & Public Relations	2,418	-	-	2,418
Auto Expense	3,336	-	-	3,336
Bank Charges & Fees	45	-	-	45
Computer/ Software	2,290	-	-	2,290
Depreciation	10,104	-	-	10,104
Donated Goods	5,300	-	-	5,300
Evangelism Outreach expenses	2,663	-	-	2,663
Fundraising Expenses	-	-	6,300	6,300
Homeless Outreach Supplies	3,055	-	-	3,055
Insurance	5,465	-	-	5,465
Interest Expense	197	-	-	197
Legal & Professional Services	116	-	-	116
Membership Fees	605	-	-	605
Office Expense	-	445	-	445
Other - General	1,919	-	-	1,919
Rent	-	4,485	-	4,485
Shower Outreach Supplies	7,849	-	-	7,849
Storage	5,013	-	-	5,013
Taxes & Licenses	528	-	-	528
Travel	799	-	-	799
Total Functional Expenses	**$ 51,702**	**$ 7,661**	**$ 6,300**	**$ 65,664**

SALT OUTREACH, INC.

Statement of Cash Flows

For the year ended December 31, 2019

	2019
Cash flows from operating activities:	
Net Changes in Net Assets	31,085
Adjustments to reconcile change in net assets to net cash	
Provided (used in) operating activities:	
Depreciation	10,104
Change in assets and liabilities:	
Accounts payable & accrued expenses (decrease)	2,046
Net cash provided by operating activities	**$43,235**
Cash flow from investing activities:	
Purchase of fixed assets	($34,960)
Net cash used in investing activities	**($34,960)**
Net increase/decrease in cash equivalents and restricted cash	**$8,275**
Cash, cash equivalents, and restricted cash at beginning of year	$5,552
Cash, cash equivalents, and restricted cash at end of year	**$13,826**

See Accompanying Notes to Financial Statements

NOTE 1 - GENERAL

Organization and Nature of Activities

SALT Outreach, Inc (the "Organization"), is a 501(c)(3) nonprofit organization located in Orlando, FL that was established in 2011. SALT, an acronym that stands for Service and Love Together, is a youth and young adult organization that aims to exemplify the character of Christ through evangelism, meeting the needs of the community, equipping people for service, and fostering spiritual growth.

The Organization services primarily the Central Florida area and is funded primarily through contributions by individuals, churches, and companies.

In 2018, the Organization launched a mobile day service center for the homeless and purchased a mobile shower trailer with four full bathrooms.

Currently, the Organization mainly focuses on meeting the needs of the homeless which includes showers, clothing, haircuts, hygienic products, food, and other resources through partner agencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The Statements of Activities and Functional Expenses includes certain prior year summarized comparative information in total, but not by function. Such information does not include sufficient detail 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 as of and for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. There are no payments made for interest or income taxes for the years ended December 31, 2019. The Organization maintains two bank accounts with one financial institution which, at times, may exceed federally insured limits.

CONT'D NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restrictions on Cash and Cash Equivalents
A statement of cash flows shall explain the change during the period in the total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The Organization will disclose any information about the nature of restrictions on its cash, cash equivalents, and amounts generally described as restricted cash or cash restricted cash equivalents.

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 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. Accordingly, actual results could differ from estimates.

Contributions Receivable
The Organization uses the allowance method to determine uncollectible receivables and it considers all receivables to be fully collectible and, therefore, no allowance for uncollectible receivables has been recorded. There were no contributions receivable as of December 31, 2019.

Property and Equipment
Property and equipment are stated at cost or at their estimated fair value at the date of donation. Depreciation is determined using the straight-line method based on the estimated useful life of the assets, which range from five to fifteen years. The Organization follows a policy of capitalizing acquisitions of equipment or repairs that materially prolong the useful life of the assets.

Donated Goods and Services

Donated Goods are recognized at their estimated value at the date of service. For the year ended December 31, 2019, the Organization received donated goods which amounted to $5,300.

Many individuals volunteer time and perform a variety of tasks that assist the Organization with various program and administrative tasks. The value of these services has not been reflected in these financial statements since they do not meet the criteria of recognition.

CONT'D NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification of Net Assets:

The Net Assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions- Amounts that are not subject to usage restriction based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization.

Public Support and Revenue Recognition

Public Support is recognized in the year received at its fair market value. Contributions with donor-imposed restrictions are reported as restricted support. The satisfaction of expiration of donor-imposed restrictions is recorded as a transfer from net assets with donor restrictions to net assets without donor restrictions.

Functional Allocation of Expenses

The Organization's expenses are recognized in the Statement of Activities as decreases in Net Assets Without Donor Restrictions. Directly identifiable expenses are charged to programs services. Expenses related to more than one function are charged to programs services based on time and expense estimates in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and administrative activities benefited.

Advertising

The Organization incurred advertising and marketing expense totaling $2,418 for the year ended December 31, 2019. The Organization's policy is to expense advertising costs as they are incurred.

Income Taxes

The organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. For the year ended December 31, 2019, the organization has determined that no income taxes are due for its activities. Accordingly, no provision for income tax has been recorded in the accompanying financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within meaning of Section 509(a) of the Internal Revenue Code.

CONT'D NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commitments

In February 2019, the Organization signed a month-to-month agreement to lease an office space for an amount of $450 plus sales tax. In October 2019, the Organization signed a new month-to-month agreement to lease a virtual office space for an amount of $200 plus sale tax. As of December 31, 2019, the Organization has no future long-term commitments.

RECENTLY ISSUED ACCOUNTING PRONOUNCMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued a new Accounting Standard Update, ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for leases with terms longer than 12 months. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2019. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact of this accounting pronouncement on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e.- an exchange transaction) or non-reciprocal (i.e. – a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU is applicable to contributions received for years beginning after December 15, 2018, and interim periods within years beginning after December 15, 2019. The Organization is currently evaluating the impact of the adoption of this guidance on its financial statements.

NOTE 3 – ADOPTIONS OF ACCOUNTING PRONOUNCMENTS

In May 2014, the FASB issued a new Accounting Standard Update, ASU 2014-09, Revenue from Contracts, (Topic 606), which impacts revenue recognition for exchange transactions. It requires recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. The Organization adopted the ASU 2014-09 effective December 15, 2018. The adoption of this ASU does not have a material impact on the financial statements.

CONT'D NOTE 3 – ADOPTIONS OF ACCOUNTING PRONOUNCMENTS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in the financial statements and notes about its liquidity, financial performance, and cash flows. The changes include reducing the classes of net assets from three classes to two: net assets with donor restrictions and net assets without donor restrictions and expands disclosures about the nature and amount of any donor restrictions.

The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for annual periods beginning after December 31, 2017 and interim periods withing fiscal years beginning after December 15, 2018. The Organization adopted the ASU effective December 15, 2018. Adoption of the ASU 2016-14 did not result in any reclassifications or restatements to net assets or changes in net assets.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Organization adopted the ASU 2016-18 effective January 1, 2019 and the adoption of the ASU 2016-18 does not have a material impact on the financial statements.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

	2019
Funds for acquisition of Solar Panels	$3,100
Total Net Assets with Donor Restrictions	$3,100

During the year, the Organization received funds in the amount of $10,000 that was restricted by donor for the purchase of solar panels for the mobile shower trailer. In November 2019, a down-payment of $6,900 was made and the balance of $3,100 was subsequently paid in January 2020 to purchase the solar panels.

NOTE 5 – FIXED ASSETS

Fixed assets are recorded at cost on the date of the acquisition, or fair value on the date of donation. Additions to assets with an original value of $1,000 or more, and more than one year of life are capitalized.

Fixed assets are depreciated using the straight-line method over the estimated useful lives of 5 to 15 years and consist of the following for the year ended December 31, 2019:

	December 31, 2019
Trailers (mobile clothing & shower)	$47,813
Vehicles (truck & van)	28,060
	$75,873
Less: Accumulated Depreciation	(14,988)
Total Assets	**$60,885**

NOTE 6 - UNCERTAIN TAX POSITIONS

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2019, there are no known items which would result in a material accrual to where the Organization has federal or state attributable tax positions. Generally, the taxing authorities have three years to examine a tax return from the later of the filing date or the extended due date.

NOTE 7 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.