

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE,
EDWINS SECOND CHANCE LIFE SKILLS CENTER,
EDWINS FOUNDATION,
EDWINS BUTCHER SHOP AND TRAINING CENTER, AND
EDWINS BAKERY AND TRAINING CENTER
CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020 AND 2019**

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE,
EDWINS SECOND CHANCE LIFE SKILLS CENTER,
EDWINS FOUNDATION,
EDWINS BUTCHER SHOP AND TRAINING CENTER, AND
EDWINS BAKERY AND TRAINING CENTER**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

EDWINS Leadership and Restaurant Institute, EDWINS Second Chance Life Skills Center, EDWINS Foundation, EDWINS Butcher Shop and Training Center, and EDWINS Bakery and Training Center
Cleveland, Ohio

We have audited the accompanying consolidated financial statements of **EDWINS Leadership and Restaurant Institute, EDWINS Second Chance Life Skills Center, EDWINS Foundation, EDWINS Butcher Shop and Training Center, and EDWINS Bakery and Training Center** (nonprofit organizations) which comprise the consolidated statements of financial position as of July 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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. Accordingly, we express no such opinion. 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 consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of **EDWINS Leadership and Restaurant Institute, EDWINS Second Chance Life Skills Center, EDWINS Foundation, EDWINS Butcher Shop and Training Center, and EDWINS Bakery and Training Center** as of July 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Zinner & Co. LLP

Beachwood, Ohio

March 22, 2021

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JULY 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 614,771	\$ 395,034
Unconditional promises to give		
Without donor restrictions	149,515	262,553
With donor restrictions	0	125,000
Contract and accounts receivable	2,177	52,286
Inventory	89,731	79,515
Prepaid expenses	13,805	13,223
Liquor license	41,800	30,000
Deposits	5,015	5,015
Smallwares	12,792	12,792
Property and equipment		
Construction in progress	0	66,985
Building and improvements	2,504,893	2,282,009
Furniture and equipment	463,489	132,300
Vehicles	10,837	10,837
Accumulated depreciation	<u>(574,141)</u>	<u>(408,470)</u>
Total Assets	<u>\$ 3,334,684</u>	<u>\$ 3,059,079</u>
Liabilities		
Accounts payable	\$ 71,864	\$ 88,493
Accrued expenses	<u>164,106</u>	<u>105,452</u>
Total Liabilities	<u>235,970</u>	<u>193,945</u>
Net Assets		
Without donor restrictions	3,098,714	2,740,134
With donor restrictions - Time and Purpose	<u>0</u>	<u>125,000</u>
Total Net Assets	<u>3,098,714</u>	<u>2,865,134</u>
Total Liabilities and Net Assets	<u>\$ 3,334,684</u>	<u>\$ 3,059,079</u>

The accompanying notes are an integral part of these consolidated financial statements.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support			
Contributions			
Individual	\$ 528,649	\$ 0	\$ 528,649
Corporate	131,773	0	131,773
Foundations	540,099	0	540,099
Restaurant	276,230	0	276,230
Government	319,266	0	319,266
Special events			
Gross revenue	13,204	0	13,204
Less: Direct expenses	(11,370)	0	(11,370)
Miscellaneous fees and income	63,317	0	63,317
Total Support	<u>1,861,168</u>	<u>0</u>	<u>1,861,168</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>125,000</u>	<u>(125,000)</u>	<u>0</u>
Total Reclassifications	<u>125,000</u>	<u>(125,000)</u>	<u>0</u>
Revenue			
Restaurant operations	2,131,373	0	2,131,373
Cost of goods sold	<u>(943,762)</u>	<u>0</u>	<u>(943,762)</u>
Net Revenue	<u>1,187,611</u>	<u>0</u>	<u>1,187,611</u>
Total Support and Revenue	3,173,779	(125,000)	3,048,779
Expenses			
Program expenses	1,056,194	0	1,056,194
Restaurant expenses	1,300,387	0	1,300,387
Management and general	247,524	0	247,524
Fundraising	211,094	0	211,094
Total Expenses	<u>2,815,199</u>	<u>0</u>	<u>2,815,199</u>
Change in Net Assets	358,580	(125,000)	233,580
Net Assets at Beginning of Year	<u>2,740,134</u>	<u>125,000</u>	<u>2,865,134</u>
Net Assets at End of Year	<u>\$ 3,098,714</u>	<u>\$ 0</u>	<u>\$ 3,098,714</u>

The accompanying notes are an integral part of these consolidated financial statements.

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE
SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING
CENTER, AND EDWINS BAKERY AND TRAINING CENTER**

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support			
Contributions			
Individual	\$ 637,915	\$ 25,000	\$ 662,915
Corporate	494,589	0	494,589
Foundations	559,242	0	559,242
Restaurant	263,303	0	263,303
Special events			
Gross revenue	167,434	0	167,434
Less: Direct expenses	(54,457)	0	(54,457)
Miscellaneous fees and income	<u>132,668</u>	<u>0</u>	<u>132,668</u>
Total Support	2,200,694	25,000	2,225,694
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>340,378</u>	<u>(340,378)</u>	<u>0</u>
Total Reclassifications	<u>340,378</u>	<u>(340,378)</u>	<u>0</u>
Revenue			
Restaurant operations	1,601,158	0	1,601,158
Cost of goods sold	<u>(657,989)</u>	<u>0</u>	<u>(657,989)</u>
Net Revenue	<u>943,169</u>	<u>0</u>	<u>943,169</u>
Total Support and Revenue	3,484,241	(315,378)	3,168,863
Expenses			
Program expenses	1,196,138	0	1,196,138
Restaurant expenses	1,009,884	0	1,009,884
Management and general	198,754	0	198,754
Fundraising	<u>234,314</u>	<u>0</u>	<u>234,314</u>
Total Expenses	<u>2,639,090</u>	<u>0</u>	<u>2,639,090</u>
Change in Net Assets	845,151	(315,378)	529,773
Net Assets at Beginning of Year	<u>1,894,983</u>	<u>440,378</u>	<u>2,335,361</u>
Net Assets at End of Year	<u>\$ 2,740,134</u>	<u>\$ 125,000</u>	<u>\$ 2,865,134</u>

The accompanying notes are an integral part of these consolidated financial statements.

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE
SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING
CENTER, AND EDWINS BAKERY AND TRAINING CENTER**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JULY 31, 2020

	<u>Program Expenses</u>	<u>Restaurant Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Related Expenses					
Salaries and wages	\$ 655,823	\$ 709,089	\$ 128,232	\$ 150,854	\$ 1,643,998
Payroll taxes	37,749	60,859	11,076	10,856	120,540
Employee benefits	0	0	48,025	0	48,025
Total Salaries and Related Expenses	693,572	769,948	187,333	161,710	1,812,563
Contract Services					
Professional fees	70,381	56,066	5,662	3,976	136,085
Bank fees	962	52,577	2,913	0	56,452
Other services	10,834	11,446	984	901	24,165
Total Contract Services	82,177	120,089	9,559	4,877	216,702
Facilities and Equipment					
Equipment rental and maintenance	7,831	37,037	3,565	1,227	49,660
Rent	29,875	25,915	3,909	4,788	64,487
Utilities	35,553	49,574	7,950	1,849	94,926
Telephone	1,437	17,765	1,454	818	21,474
Printing and copying	21,090	36,844	4,873	21,523	84,330
Decorations	0	6,195	0	674	6,869
Other facility costs	39	30,961	116	1,115	32,231
Total Facilities and Equipment	95,825	204,291	21,867	31,994	353,977

The accompanying notes are an integral part of these consolidated financial statements.

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE
SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING
CENTER, AND EDWINS BAKERY AND TRAINING CENTER**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JULY 31, 2020
(CONTINUED FROM PREVIOUS PAGE)**

	<u>Program Expenses</u>	<u>Restaurant Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Other Expenses					
Supplies	\$ 9,439	\$ 99,165	\$ 7,106	\$ 4,949	\$ 120,659
Uniforms	5,568	0	0	0	5,568
Travel, meals, and entertainment	16,458	4,091	1,125	3,829	25,503
Education and training	15,776	1,670	490	0	17,936
Insurance	39,202	30,520	3,195	0	72,917
Donations and gifts	3,735	0	0	3,735	7,470
Miscellaneous	13,337	2,194	703	0	16,234
Total Other Expenses	<u>103,515</u>	<u>137,640</u>	<u>12,619</u>	<u>12,513</u>	<u>266,287</u>
Total Expenses Before Depreciation and Amortization and Eliminations	975,089	1,231,968	231,378	211,094	2,649,529
Depreciation and Amortization Expense	<u>81,105</u>	<u>68,419</u>	<u>16,146</u>	<u>0</u>	<u>165,670</u>
Total Expenses	<u>\$ 1,056,194</u>	<u>\$ 1,300,387</u>	<u>\$ 247,524</u>	<u>\$ 211,094</u>	<u>\$ 2,815,199</u>
	38%	46%	9%	7%	100%

The accompanying notes are an integral part of these consolidated financial statements.

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE
SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING
CENTER, AND EDWINS BAKERY AND TRAINING CENTER**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JULY 31, 2019

	<u>Program Expenses</u>	<u>Restaurant Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Related Expenses					
Salaries and wages	\$ 682,041	\$ 466,781	\$ 91,660	\$ 138,437	\$ 1,378,919
Payroll taxes	39,087	50,602	9,826	9,807	109,322
Employee benefits	0	0	27,806	0	27,806
Total Salaries and Related Expenses	721,128	517,383	129,292	148,244	1,516,047
Contract Services					
Professional fees	66,919	59,610	7,137	4,945	138,611
Bank fees	644	41,354	961	0	42,959
Other services	20,419	6,352	856	1,289	28,916
Total Contract Services	87,982	107,316	8,954	6,234	210,486
Facilities and Equipment					
Equipment rental and maintenance	12,027	47,980	4,094	2,024	66,125
Rent	19,145	23,759	3,385	3,992	50,281
Utilities	66,486	39,394	7,029	2,168	115,077
Telephone	2,846	14,241	1,233	665	18,985
Printing and copying	22,640	32,474	3,636	22,895	81,645
Decorations	0	9,323	0	887	10,210
Other facility costs	0	31,539	0	1,203	32,742
Total Facilities and Equipment	123,144	198,710	19,377	33,834	375,065

The accompanying notes are an integral part of these consolidated financial statements.

**EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE
SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING
CENTER, AND EDWINS BAKERY AND TRAINING CENTER**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JULY 31, 2019
(CONTINUED FROM PREVIOUS PAGE)**

	<u>Program Expenses</u>	<u>Restaurant Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Other Expenses					
Supplies	\$ 17,831	\$ 66,329	\$ 5,744	\$ 2,753	\$ 92,657
Uniforms	16,416	234	49	0	16,699
Travel, meals, and entertainment	27,595	4,100	5,919	5,084	42,698
Education and training	16,354	414	90	0	16,858
Insurance	31,481	29,729	2,370	0	63,580
Donations and gifts	60,703	63,535	11,913	36,732	172,883
Fundraising and campaign costs	0	0	0	1,433	1,433
Miscellaneous	7,450	5,773	8,674	0	21,897
Total Other Expenses	<u>177,830</u>	<u>170,114</u>	<u>34,759</u>	<u>46,002</u>	<u>428,705</u>
Total Expenses Before Depreciation and Amortization	1,110,084	993,523	192,382	234,314	2,530,303
Depreciation and Amortization Expense	<u>86,054</u>	<u>16,361</u>	<u>6,372</u>	<u>0</u>	<u>108,787</u>
Total Expenses	<u>\$ 1,196,138</u>	<u>\$ 1,009,884</u>	<u>\$ 198,754</u>	<u>\$ 234,314</u>	<u>\$ 2,639,090</u>
	46%	38%	8%	8%	100%

The accompanying notes are an integral part of these consolidated financial statements.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 233,580	\$ 529,773
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	165,670	108,787
(Increase) decrease in operating assets		
Unconditional promises to give		
Without donor restrictions	113,038	(122,509)
With donor restrictions	125,000	318,221
Contract and accounts receivable	50,109	(51,426)
Inventory	(10,216)	(21,812)
Prepaid expenses	(582)	4,782
Increase (decrease) in operating liabilities		
Accounts payable	(16,629)	69,736
Accrued expenses	58,655	26,274
Deferred lease liability	0	(7,189)
Net Cash Provided by Operating Activities	<u>718,625</u>	<u>854,637</u>
Cash Flows from Investing Activities		
Additions of equipment and construction in progress	<u>(498,888)</u>	<u>(883,403)</u>
Net Cash Used by Investing Activities	<u>(498,888)</u>	<u>(883,403)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	219,737	(28,766)
Cash and Cash Equivalents at Beginning of Year	<u>395,034</u>	<u>423,800</u>
Cash and Cash Equivalents at End of Year	<u>\$ 614,771</u>	<u>\$ 395,034</u>

The accompanying notes are an integral part of these consolidated financial statements.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organizations

The accompanying consolidated financial statements include the accounts of EDWINS Leadership and Restaurant Institute (EDWINS), EDWINS Second Chance Life Skills Center (Second Chance), EDWINS Foundation (Foundation), EDWINS Butcher Shop and Training Center (Butcher Shop) and EDWINS Bakery and Training Center (Bakery) (collectively referred to as the Organizations). Intercompany transactions and balances have been eliminated in consolidation. EDWINS was incorporated as not-for-profit corporation in July 2007, Second Chance was incorporated as a not-for-profit corporation in July 2015, Foundation was incorporated as a not-for-profit corporation in April 2016, the Butcher Shop was incorporated as a not-for-profit corporation in December 2016 and the Bakery was incorporated as a not-for-profit corporation in June 2019. EDWINS takes a unique approach at giving formerly-incarcerated adults a foundation in the hospitality industry while providing a support network necessary for a successful reentry into society, by teaching a skilled trade in the culinary arts, empowering willing minds through passion for the hospitality industry and preparing students for a successful transition into the world of business professionals. EDWINS also enhances the community of Cleveland's vulnerable neighborhoods by providing for its future leaders. Second Chance is a living community designed to provide program participants with a stable living environment that is nearby and affordable, which increases the participants' likelihood of completing the programs and moving forward into future career success. The Butcher Shop and Bakery are educational facilities that additionally provide formerly-incarcerated individuals education and skills related to the culinary, vocational and operational aspects of a butcher shop and bakery, respectively.

Foundation was formed to coordinate, promote and oversee the operations of EDWINS, Second Chance, the Butcher Shop and the Bakery. The Butcher Shop and Bakery as well as other future entities are incorporated as sole member LLCs under Foundation's 501(c)(3) status with Foundation being the sole member. Foundation began operating in 2017. Foundation's main purpose is to fundraise and use those funds to support the not-for-profit organizations listed above, which will then enable those organizations to focus on their programmatic goals of assisting with the challenges of reentry.

Basis of Presentation

Consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the Organizations are required to report information regarding their consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organizations consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the Statement of Cash Flows.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off any uncollectible portion at year-end.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Organizations use the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of July 31, 2020 and 2019, management believes that all receivables are collectible and therefore no valuation allowance is necessary.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Long-Lived Assets

The Organizations review for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the estimated future net cash flows are less than the carrying amount of the asset. No impairment losses were recognized in fiscal years 2020 and 2019.

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. It is the Organizations' policy to capitalize expenditures for these items in excess of \$1,000.

Donated Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. There was no donated equipment during the years ended July 31, 2020 and 2019.

Inventory

Inventory is stated at the lower of cost or fair market value on a first-in, first-out method of valuation and consisted of the following at July 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Merchandise	\$ 5,585	\$ 6,885
Food	40,856	29,327
Beverage	<u>43,290</u>	<u>43,303</u>
Total	<u>\$ 89,731</u>	<u>\$ 79,515</u>

Revenue Recognition for Contracts with Customers

The Organizations' revenue streams under contracts with customers consists primarily of revenues under the following categories:

Restaurant Revenue: The Organizations operate a restaurant, a butcher shop, and a bakery. These entities sell prepared food, drinks, meats, and baked goods. Revenues from these sales are recognized at time of sale.

Special Events: Revenues related to ticket sales and other exchanges of value that take place are recognized as revenue at the point in time in which the event occurs.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers (Continued)

Miscellaneous Revenue: The Organizations also receives various other income from speaking fees, consulting fees, and other adjacent activities. Revenue from these activities is recognized at the time the services are performed.

Revenue recognition for each of the revenue streams identified above are subject to the satisfaction of performance obligations. Revenue is recognized when performance obligations are satisfied over a period of time or at a point in time. Revenue is measured as the amount of consideration the Organizations expect to receive in exchange for providing services. Any payments received in advance of satisfaction of performance obligations are recorded as deferred revenue until the obligation is met.

Revenues subject to ASC Topic 606 were recognized as follows:

	<u>2020</u>	<u>2019</u>
Revenues recognized at a point time:		
Leadership restaurant	\$1,534,885	\$1,304,026
Leadership special events	13,204	166,934
Leadership miscellaneous	26,974	87,093
Second Chances miscellaneous	27,125	44,170
Butcher Shop restaurant	427,053	297,132
Butcher Shop miscellaneous	9,418	1,905
Bakery restaurant	<u>169,235</u>	<u>0</u>
	<u>2,207,894</u>	<u>1,901,260</u>
Total revenue recognized subject to ASC Topic 606	<u>\$2,207,894</u>	<u>\$1,901,260</u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organizations report gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and are reported in the Consolidated Statement of Activities as net assets released from restrictions.

Contributions and Support

Contributions, grants and other support are recognized as revenue when they are received or unconditionally pledged. Contributions, grants and other support are recorded as either without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Funds received related to conditional grants are classified as refundable advances until expended for the purposes of the grants.

Government Funding

The Organizations received loans from The Huntington National Bank, pursuant to the Paycheck Protection Program (PPP Loan), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act. The Organizations received the following principal amounts:

EDWINS Restaurant & Leadership Institute	May 5, 2020	\$ 216,624
EDWINS Second Chance Life Skills Center	May 6, 2020	24,600
EDWINS Butcher Shop and Training Center	April 21, 2020	37,108
EDWINS Bakery and Training Center	May 8, 2020	<u>40,934</u>
Total		<u>\$ 319,266</u>

The principal amounts of the PPP Loans are subject to forgiveness under the Paycheck Protection Program upon the Organizations' requests, to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program. Permitted expenses include certain payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organizations.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Funding (Continued)

The Organizations intend to apply for forgiveness of the PPP Loan with respect to these covered expenses. Management considers the bank and SBA approval of forgiveness to be administrative requirements and not a barrier. To the extent that the PPP Loans are not forgiven, the Organizations will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and principal and interest payments will be required through various maturity dates up to May 2022. Loan payments will be deferred for borrowers who apply for forgiveness until the SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period of either 8 weeks or 24 weeks. During the year ended July 31, 2020, the Organizations recognized \$319,266 of government revenue upon meeting the performance requirements of the PPP Loans.

Functional Expense Allocation

Costs of providing various programs, restaurant operations and supporting services are allocated based on specific identification, if practical. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include contract services, other expenses, depreciation and amortization and facilities and equipment. Rent was allocated based on use of square-footage. Salaries and wages, payroll taxes and employee benefits are allocated based on estimates of time and effort. Certain expense within categories were allocated based on time and effort of certain employees.

Pervasiveness of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist primarily of cash and cash equivalents and accounts and pledges receivable. The Organizations maintain their cash and cash equivalents with financial institutions and limit their exposure to any one financial institution. Concentrations with respect to trade and pledges receivable are limited due to the varied customer and donor base. As of July 31, 2020 and 2019, the Organizations had no other significant concentrations of credit risk.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities. The ASU amends the current reporting model for not-for-profit organizations and requires enhanced disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring that all not-for-profit organizations present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (d) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (e) presenting investment returns net of external and direct expenses, and (f) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of the financial statements. The ASU was effective for the Organizations’ financial statements for fiscal years beginning after December 15, 2017. The provisions of the ASU were applied on a retrospective basis for all years presented.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces existing revenue recognition guidance, including industry specific guidance, in current U.S. Generally Accepted Accounting Principles (GAAP). The Organizations adopted ASU 2014-09 effective August 1, 2019 using the modified retrospective transition method. There was no cumulative effect on the opening net asset balance as a result of adopting Topic 606. Results for the year ended July 31, 2020 are presented under Topic 606 and the year ended July 31, 2019 comparative information has not been restated and is reported under the accounting standards in effect for that period. However, there were no material changes to the recording of revenue by the Organizations with the implementation of this ASU. The adoption of this standard also resulted in additional disclosures for revenue recognition in Note A.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (Continued)

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The objective of this statement is to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance and determining whether a contribution is conditional. For resource recipients, this new standard was effective for annual periods beginning after December 15, 2018. The Organizations adopted ASU 2018-08 effective August 1, 2019 using the modified prospective transition method. The adoption of this standard did not have a material impact on the consolidated financial statements for the year ended July 31, 2020.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”). The objective of ASU 2016-02 is to recognize lease assets and lease liabilities for those leases classified as operating leases under previous generally accepted accounting principles (GAAP). In June 2020, the FASB issued ASU 2020-05 as a limited deferral of the effective dates of two Updates, one of which is ASU 2016-02. Lease rules will now be applied to fiscal years beginning after December 15, 2021 for private companies and not-for-profit organizations, excluding public not-for-profit entities, who have not yet issued their financial statements reflecting the adoption of Leases. Management will be evaluating the potential impact of adopting this guidance on its consolidated financial statements.

Advertising

Advertising costs are expensed when incurred.

Subsequent Events

The Organizations have evaluated subsequent events through March 22, 2021, the date the consolidated financial statements were available to be issued. The COVID-19 outbreak continues to cause business disruption through mandated and voluntary closings of many of the Organizations’ facilities, business partners, donors and general disruptions to program participants, employees and customers. The extent of the impact of COVID-19 on the Organizations’ operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the continued impact on the Organizations’ facilities, business partners, donors, program participants, employees, customers and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organizations’ future financial condition or results of operations is uncertain.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE B - PROMISES TO GIVE

Unconditional promises to give at July 31, 2020 and 2019 consist of:

	<u>2020</u>	<u>2019</u>
Promises to give - without donor restrictions	\$ 150,000	\$ 264,000
With donor restrictions for expansion	0	100,000
With donor restrictions for funding in subsequent years	<u>0</u>	<u>25,000</u>
Gross unconditional promises to give	150,000	389,000
Less: Unamortized discount	<u>485</u>	<u>1,447</u>
Net unconditional promises to give	<u>\$ 149,515</u>	<u>\$ 387,553</u>
Amounts due in:		
Less than one year	\$ 125,000	\$ 339,000
One to five years	<u>25,000</u>	<u>50,000</u>
Total Amounts Due	<u>\$ 150,000</u>	<u>\$ 389,000</u>

NOTE C - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at July 31, 2020 and 2019 are available for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Future expansion	\$ 0	\$ 100,000
Subsequent fiscal years	<u>0</u>	<u>25,000</u>
	<u>\$ 0</u>	<u>\$ 125,000</u>

NOTE D - DONATED SERVICES

EDWINS received donated legal services related to legal situations surrounding the formation of the Foundation and the various entities. The value of the donated legal services was not provided by the legal firm for the years ended July 31, 2020 and 2019 and therefore could not be determined.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE E - LINE OF CREDIT

In March, 2018, EDWINS entered into a \$50,000 revolving line of credit with a bank with interest at the Prime Rate (3.25% and 5.50% at July 31, 2020 and 2019). The line of credit is secured by all the assets of EDWINS and automatically renews annually as long as EDWINS is in good standing with the bank. The line of credit had a balance of \$0 as of both the years ended July 31, 2020 and 2019.

NOTE F - OPERATING LEASES

The Organizations lease equipment and restaurant space. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of July 31, 2020:

2021	\$	79,704
2022		77,632
2023		71,640
2024		69,140
2025		68,640
Thereafter		<u>137,280</u>
Total minimum payments required	\$	<u>504,036</u>

NOTE G - INCOME TAXES

The Organizations are exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income, including unrelated debt-financed income and advertising income, which is subject to taxation.

As of August 1, 2018 and for the years ended July 31, 2020 and 2019, the Organizations had not engaged in any activity which management considers to be activity that could result in a loss of their 501(c)(3) IRS designations. As well, management does not consider any of the activity of the Organizations to be considered unrelated business income that could result in income tax.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NOTE G - INCOME TAXES (CONTINUED)

For the years ended July 31, 2020 and 2019, there was no tax, interest or penalties reflected in the consolidated statement of activities or in the consolidated statement of financial position. The Organizations' income tax filings are subject to audit by various taxing authorities.

EDWINS, Second Chance and the Foundation file separate applicable tax returns. The Butcher Shop and Bakery are wholly owned by the Foundation and report all activity on the applicable Foundation tax return.

NOTE H - LIQUIDITY

The Organizations' financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 614,771	\$ 395,034
Unconditional promises to give		
Without donor restrictions	149,515	262,553
With donor restrictions	0	125,000
Contract and accounts receivable	<u>2,177</u>	<u>52,286</u>
Total financial assets	766,463	834,873
Less: Amounts unavailable for general expenditures within one year due to:		
Unconditional promises to give with donor restrictions	<u>0</u>	<u>(100,000)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 766,463</u>	<u>\$ 734,873</u>

The Organizations also have a committed line of credit in the amount of \$50,000 (See Note E), which can be drawn upon in the event of liquidity needs.

**INDEPENDENT AUDITOR'S REPORT
ON CONSOLIDATING INFORMATION**

Board of Directors

EDWINS Leadership and Restaurant Institute, EDWINS Second Chance Life Skills Center, EDWINS Foundation, EDWINS Butcher Shop and Training Center, and EDWINS Bakery and Training Center

Cleveland, Ohio

We have audited the consolidated financial statements of **EDWINS Leadership and Restaurant Institute, EDWINS Second Chance Life Skills Center, EDWINS Foundation, EDWINS Butcher Shop and Training Center, and EDWINS Bakery and Training Center** as of and for the years ended July 31, 2020 and 2019, and our report thereon dated March 22, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Zinner & Co. LLP

Beachwood, Ohio

March 22, 2021

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JULY 31, 2020

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Total
Assets						
Cash and cash equivalents	\$ 352,402	\$ 67,912	\$ 111,329	\$ 26,386	\$ 56,742	\$ 614,771
Unconditional promises to give						
Without donor restrictions	0	100,000	49,515	0	0	149,515
Contract and accounts receivable	1,085	0	0	555	537	2,177
Inventory	58,613	0	0	22,161	8,957	89,731
Prepaid expenses	0	4,515	7,515	1,775	0	13,805
Liquor license	40,950	0	0	0	850	41,800
Deposits	5,015	0	0	0	0	5,015
Smallwares	12,792	0	0	0	0	12,792
Property and equipment						
Building and improvements	99,876	1,225,404	0	817,927	361,686	2,504,893
Furniture and equipment	83,452	24,348	0	258,898	96,791	463,489
Vehicles	10,837	0	0	0	0	10,837
Accumulated depreciation	(169,681)	(298,485)	0	(92,889)	(13,086)	(574,141)
Total Assets	<u>\$ 495,341</u>	<u>\$ 1,123,694</u>	<u>\$ 168,359</u>	<u>\$ 1,034,813</u>	<u>\$ 512,477</u>	<u>\$ 3,334,684</u>

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED FROM PREVIOUS PAGE)

JULY 31, 2020

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Total
Liabilities						
Accounts payable	\$ 31,905	\$ 294	\$ 5,600	\$ 29,296	\$ 4,769	\$ 71,864
Accrued expenses	146,763	2,709	0	12,199	2,435	164,106
Intercompany payable (receivable)	0	100,000	(100,000)	0	0	0
Total Liabilities	<u>178,668</u>	<u>103,003</u>	<u>(94,400)</u>	<u>41,495</u>	<u>7,204</u>	<u>235,970</u>
Net Assets						
Without donor restrictions	<u>316,673</u>	<u>1,020,691</u>	<u>262,759</u>	<u>993,318</u>	<u>505,273</u>	<u>3,098,714</u>
Total Net Assets	<u>316,673</u>	<u>1,020,691</u>	<u>262,759</u>	<u>993,318</u>	<u>505,273</u>	<u>3,098,714</u>
Total Liabilities and Net Asset	<u>\$ 495,341</u>	<u>\$ 1,123,694</u>	<u>\$ 168,359</u>	<u>\$ 1,034,813</u>	<u>\$ 512,477</u>	<u>\$ 3,334,684</u>

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JULY 31, 2019

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Total
Assets						
Cash and cash equivalents	\$ 115,899	\$ 822	\$ 109,415	\$ 25,016	\$ 143,882	\$ 395,034
Unconditional promises to give						
Without donor restrictions	139,000	0	73,553	50,000	0	262,553
With donor restrictions	25,000	0	0	100,000	0	125,000
Contract and accounts receivable	43,714	610	0	7,962	0	52,286
Inventory	58,338	0	0	21,177	0	79,515
Prepaid expenses	4,770	6,729	0	1,724	0	13,223
Liquor license	30,000	0	0	0	0	30,000
Deposits	5,015	0	0	0	0	5,015
Smallwares	12,792	0	0	0	0	12,792
Property and equipment						
Construction in progress	0	0	0	0	66,985	66,985
Building and improvements	99,876	1,141,213	0	1,040,920	0	2,282,009
Furniture and equipment	75,222	24,347	0	32,731	0	132,300
Vehicles	10,837	0	0	0	0	10,837
Accumulated depreciation	(155,888)	(232,131)	0	(20,451)	0	(408,470)
Total Assets	<u>\$ 464,575</u>	<u>\$ 941,590</u>	<u>\$ 182,968</u>	<u>\$ 1,259,079</u>	<u>\$ 210,867</u>	<u>\$ 3,059,079</u>

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED FROM PREVIOUS PAGE)

JULY 31, 2019

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Butcher Shop and Training Center	Total
Liabilities						
Accounts payable	\$ 23,615	\$ 11,709	\$ 0	\$ 42,277	\$ 10,892	\$ 88,493
Accrued expenses	90,232	3,140	0	12,080	0	105,452
Total Liabilities	<u>113,847</u>	<u>14,849</u>	<u>0</u>	<u>54,357</u>	<u>10,892</u>	<u>193,945</u>
Net Assets						
Without donor restrictions	325,728	926,741	182,968	1,104,722	199,975	2,740,134
With donor restrictions - Time and Purpose	25,000	0	0	100,000	0	125,000
Total Net Assets	<u>350,728</u>	<u>926,741</u>	<u>182,968</u>	<u>1,204,722</u>	<u>199,975</u>	<u>2,865,134</u>
Total Liabilities and Net Asset	<u>\$ 464,575</u>	<u>\$ 941,590</u>	<u>\$ 182,968</u>	<u>\$ 1,259,079</u>	<u>\$ 210,867</u>	<u>\$ 3,059,079</u>

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS

FOR THE YEAR ENDED JULY 31, 2020

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
Support							
Contributions							
Individual	\$ 360,736	\$ 41,683	\$ 106,636	\$ 12,800	\$ 264,077	\$ (257,283)	\$ 528,649
Corporate	128,273	0	3,500	0	0	0	131,773
Foundations	576,299	95,000	87,100	4,200	152,500	(375,000)	540,099
Restaurant	276,230	0	135,000	0	0	(135,000)	276,230
Government	216,624	24,600	0	37,108	40,934	0	319,266
Special events							
Gross revenue	13,204	0	0	0	0	0	13,204
Less: Direct expenses	(11,370)	0	0	0	0	0	(11,370)
Miscellaneous fees and income	26,974	26,925	0	9,418	0	0	63,317
Total Support	1,586,970	188,208	332,236	63,526	457,511	(767,283)	1,861,168
Net assets released from restrictions:							
Satisfaction of program restrictions	25,000	100,000	0	0	0	0	125,000
Total Reclassifications	25,000	100,000	0	0	0	0	125,000
Revenue							
Restaurant operations	1,534,885	200	0	427,053	169,235	0	2,131,373
Cost of goods sold	(610,870)	0	0	(268,236)	(64,656)	0	(943,762)
Net Revenue	924,015	200	0	158,817	104,579	0	1,187,611

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

**CONSOLIDATING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
(CONTINUED FROM PREVIOUS PAGE)**

FOR THE YEAR ENDED JULY 31, 2020

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
Expenses							
Program expenses	\$ 999,514	\$ 175,770	\$ 252,245	\$ 26,467	\$ 9,340	\$ (407,142)	\$ 1,056,194
Restaurant expenses	923,075	0	0	227,879	219,433	(70,000)	1,300,387
Management and general	130,227	9,677	200	79,401	28,019	0	247,524
Fundraising	492,224	9,011	0	0	0	(290,141)	211,094
Total Expenses	<u>2,545,040</u>	<u>194,458</u>	<u>252,445</u>	<u>333,747</u>	<u>256,792</u>	<u>(767,283)</u>	<u>2,815,199</u>
Change in Net Assets Without Donor Restrictions	(9,055)	93,950	79,791	(111,404)	305,298	0	358,580

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

**CONSOLIDATING STATEMENT OF ACTIVITIES WITH DONOR RESTRICTIONS – TIME AND PURPOSE
(CONTINUED FROM PREVIOUS PAGE)**

FOR THE YEAR ENDED JULY 31, 2020

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
NET ASSETS WITH DONOR RESTRICTIONS - TIME AND PURPOSE							
Support							
Net assets released from restrictions:							
Reclassification of restricted net assets	\$ 0	\$ 100,000	\$ 0	\$ (100,000)	\$ 0	\$ 0	\$ 0
Satisfaction of program restrictions	(25,000)	(100,000)	0	0	0	0	(125,000)
Total Reclassifications	(25,000)	0	0	(100,000)	0	0	(125,000)
Total Support and Revenues	(25,000)	0	0	(100,000)	0	0	(125,000)
Change in Net Assets With Donor Restrictions - Time and purpose	(25,000)	0	0	(100,000)	0	0	(125,000)
CHANGE IN NET ASSETS	<u>\$ (34,055)</u>	<u>\$ 93,950</u>	<u>\$ 79,791</u>	<u>\$ (211,404)</u>	<u>\$ 305,298</u>	<u>\$ 0</u>	<u>\$ 233,580</u>

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

CONSOLIDATING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS

FOR THE YEAR ENDED JULY 31, 2019

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
Support							
Contributions							
Individual	\$ 211,155	\$ 82,025	\$ 179,191	\$ 15,544	\$ 150,000	\$ 0	\$ 637,915
Corporate	195,924	0	5,091	293,574	0	0	494,589
Foundations	422,292	15,000	0	173,534	50,000	(101,584)	559,242
Restaurant	263,303	0	0	0	0	0	263,303
Special events							
Gross revenue	166,934	0	500	0	0	0	167,434
Less: Direct expenses	(54,457)	0	0	0	0	0	(54,457)
Miscellaneous fees and income	87,093	44,620	0	1,905	0	(950)	132,668
Total Support	1,292,244	141,645	184,782	484,557	200,000	(102,534)	2,200,694
Net assets released from restrictions:							
Satisfaction of program restrictions	0	0	0	340,378	0	0	340,378
Total Reclassifications	0	0	0	340,378	0	0	340,378
Revenue							
Restaurant operations	1,304,026	0	0	297,132	0	0	1,601,158
Cost of goods sold	(462,059)	0	0	(195,930)	0	0	(657,989)
Net Revenue	841,967	0	0	101,202	0	0	943,169
Total Support and Revenue	2,134,211	141,645	184,782	926,137	200,000	(102,534)	3,484,241

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

**CONSOLIDATING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
(CONTINUED FROM PREVIOUS PAGE)**

FOR THE YEAR ENDED JULY 31, 2019

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
Expenses							
Program expenses	\$ 932,131	\$ 230,228	\$ 117,876	\$ 18,437	\$ 0	\$ (102,534)	\$ 1,196,138
Restaurant expenses	712,251	0	0	297,608	25	0	1,009,884
Management and general	131,110	12,133	200	55,311	0	0	198,754
Fundraising	223,884	10,430	0	0	0	0	234,314
Total Expenses	<u>1,999,376</u>	<u>252,791</u>	<u>118,076</u>	<u>371,356</u>	<u>25</u>	<u>(102,534)</u>	<u>2,639,090</u>
Change in Net Assets Without Donor Restrictions	134,835	(111,146)	66,706	554,781	199,975	0	845,151

See independent auditor's report on consolidating information.

EDWINS LEADERSHIP AND RESTAURANT INSTITUTE, EDWINS SECOND CHANCE LIFE SKILLS CENTER, EDWINS FOUNDATION, EDWINS BUTCHER SHOP AND TRAINING CENTER, AND EDWINS BAKERY AND TRAINING CENTER

**CONSOLIDATING STATEMENT OF ACTIVITIES WITH DONOR RESTRICTIONS – TIME AND PURPOSE
(CONTINUED FROM PREVIOUS PAGE)**

FOR THE YEAR ENDED JULY 31, 2019

	EDWINS Restaurant & Leadership Institute	EDWINS Second Chance Life Skills Center	EDWINS Foundation	EDWINS Butcher Shop and Training Center	EDWINS Bakery and Training Center	Eliminations	Total
NET ASSETS WITH DONOR RESTRICTIONS - TIME AND PURPOSE							
Support							
Contributions							
Individual	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000
Total Support	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
Net assets released from restrictions:							
Satisfaction of program restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>
Total Reclassifications	<u>0</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>
Total Support and Revenues	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>	<u>0</u>	<u>0</u>	<u>(315,378)</u>
Change in Net Assets With Donor Restrictions - Time and purpose	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>(340,378)</u>	<u>0</u>	<u>0</u>	<u>(315,378)</u>
CHANGE IN NET ASSETS	<u>\$ 159,835</u>	<u>\$ (111,146)</u>	<u>\$ 66,706</u>	<u>\$ 214,403</u>	<u>\$ 199,975</u>	<u>\$ 0</u>	<u>\$ 529,773</u>

See independent auditor's report on consolidating information.