The Community Soup Kitchen, Incorporated
Year Ended December 31, 2015
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The Board of Directors
The Community Soup Kitchen, Incorporated
New Haven, Connecticut

I have audited the accompanying statement of financial position of The Community Soup Kitchen, Incorporated (a not-for-profit organization) as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. My responsibility is to express an opinion on these financial statements based on my audit.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 misstatements, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I 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 considered 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. Accordingly, I 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 financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community Soup Kitchen, Incorporated as of December 31, 2015, and the changes in net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Milford, Connecticut
July 24, 2016
The Community Soup Kitchen, Incorporated
Statement of Financial Position
December 31, 2015

ASSETS

Current Assets

Cash and Cash Equivalents $129,178
Investments 204,748
Prepaid Expense 2,744

Total Current Assets $336,670

Property and Equipment
Leasehold Improvements 151,487
Furniture and Fixtures 46,666
Office Equipment 1,174
Vehicles 21,459
Total Property and Equipment 220,786
Less: Accumulated Depreciation 92,462

Net Property and Equipment 128,324

Total Assets $464,994

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses $3,719

Total Current Liabilities $3,719

NET ASSETS

Net Assets

Unrestricted Net Assets 319,976
Temporarily Restricted Net Assets 141,299

Total Net Assets 461,275

Total Liabilities and Net Assets $464,994

-See Independent Auditor’s Report and Notes to the Financial Statements-
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# The Community Soup Kitchen, Incorporated

## Statement of Activities

**Year Ended December 31, 2015**

<table>
<thead>
<tr>
<th>Public Support and Revenue:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$477,715</td>
<td>$2,900</td>
<td>$480,615</td>
</tr>
<tr>
<td>Fundraising</td>
<td>38,523</td>
<td></td>
<td>38,523</td>
</tr>
<tr>
<td>Investment</td>
<td>549</td>
<td>34,049</td>
<td>34,598</td>
</tr>
<tr>
<td>Total Public Support and Revenue</td>
<td>516,787</td>
<td>36,949</td>
<td>553,736</td>
</tr>
</tbody>
</table>

## Expenditures:

| Program Services            | 484,321      | 21,488                 | 505,809 |
| Management and General      | 19,581       | 6,112                  | 25,693  |
| Fundraising                 | 13,532       | 2,865                  | 16,397  |
| Total Expenditures          | 517,434      | 30,465                 | 547,899 |

Increase (Decrease) in Net Assets: (647) 6,484 5,837

Net Assets, January 1, 2015: 320,623 134,815 455,438

Net Assets, December 31, 2015: $319,976 $141,299 $461,275

-See Independent Auditor's Report and Notes to the Financial Statements-

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### The Community Soup Kitchen, Incorporated

**Statement of Functional Expenses**

**Year Ended December 31, 2015**

<table>
<thead>
<tr>
<th>Functional Expenses</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$272,211</td>
<td>-</td>
<td>-</td>
<td>$272,211</td>
</tr>
<tr>
<td>Salaries</td>
<td>101,316</td>
<td>$14,300</td>
<td>$3,575</td>
<td>119,191</td>
</tr>
<tr>
<td>Kitchen Supplies</td>
<td>10,240</td>
<td>-</td>
<td>-</td>
<td>10,240</td>
</tr>
<tr>
<td>Outside Labor</td>
<td>14,000</td>
<td>-</td>
<td>-</td>
<td>14,000</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>2,975</td>
<td>525</td>
<td>-</td>
<td>3,500</td>
</tr>
<tr>
<td>Insurance - General</td>
<td>14,884</td>
<td>-</td>
<td>-</td>
<td>14,884</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>8,461</td>
<td>1,198</td>
<td>299</td>
<td>9,958</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>20,777</td>
<td>2,933</td>
<td>733</td>
<td>24,443</td>
</tr>
<tr>
<td>Payroll Service Fees</td>
<td>2,978</td>
<td>525</td>
<td>-</td>
<td>3,503</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,639</td>
<td>-</td>
<td>-</td>
<td>5,639</td>
</tr>
<tr>
<td>Transportation</td>
<td>6,403</td>
<td>-</td>
<td>-</td>
<td>6,403</td>
</tr>
<tr>
<td>Filing Fees</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Fundraising</td>
<td>-</td>
<td>-</td>
<td>8,925</td>
<td>8,925</td>
</tr>
<tr>
<td>Occupancy</td>
<td>16,200</td>
<td>-</td>
<td>-</td>
<td>16,200</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>3,273</td>
<td>-</td>
<td>-</td>
<td>3,273</td>
</tr>
<tr>
<td>Storage</td>
<td>4,500</td>
<td>-</td>
<td>-</td>
<td>4,500</td>
</tr>
<tr>
<td>Telephone</td>
<td>464</td>
<td>-</td>
<td>-</td>
<td>464</td>
</tr>
<tr>
<td>Investment Management Fees</td>
<td>-</td>
<td>1,814</td>
<td>-</td>
<td>1,814</td>
</tr>
<tr>
<td>Unrealized Loss on Investments</td>
<td>21,488</td>
<td>4,298</td>
<td>2,865</td>
<td>28,651</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$505,809</strong></td>
<td><strong>$25,693</strong></td>
<td><strong>$16,397</strong></td>
<td><strong>$547,899</strong></td>
</tr>
</tbody>
</table>

-See Independent Auditor’s Report and Notes to the Financial Statements-

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The Community Soup Kitchen, Incorporated

Statement of Cash Flows

Year Ended December 31, 2015

Cash Flows from Operating Activities:

Increase in Net Assets $5,837

Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By (Used In) Operating Activities:

Depreciation 5,639

Investment Income (37,282)

Investment Expenses 30,465

(Increase) Decrease in Prepaid Expense (861)

Increase (Decrease) in Accounts Payable and Accrued Expenses (19)

Net Cash Provided By (Used In) Operating Activities $3,779

Net Increase in Cash and Cash Equivalents 3,779

Cash and Cash Equivalents, January 1, 2015 125,399

Cash and Cash Equivalents, December 31, 2015 $129,178

-See Independent Auditor’s Report and Notes to the Financial Statements-
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Note 1 – Organization and Nature of Activities

The Community Soup Kitchen, Incorporated (the Organization) was organized to provide meals to the homeless and needy people in the New Haven, Connecticut area. The Organization is supported primarily through grants and private contributions.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations”. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization does not use fund accounting.

Property and Equipment

Fixed assets are stated at cost. Depreciation of these assets is provided over their estimated useful lives on a straight-line basis.

Income Tax Status

The Organization is a not-for-profit corporation exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3) of the Internal Revenue Code.

On January 1, 2009, the Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in material adverse effects on the Organization’s financial

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The Community Soup Kitchen, Incorporated

Notes to the Financial Statements

December 31, 2015

Income Tax Status (continued)

condition, results of operations or cash flows. Accordingly, the Organization has no recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2015.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2011.

The Organization’s policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents include all monies in the bank and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments

As of December 31, 2015, cash and cash equivalents totaled $129,178.

-See Independent Auditor’s Report-
The Community Soup Kitchen, Incorporated

Notes to the Financial Statements

December 31, 2015

Note 4 – Property and Equipment

The Organization’s policy is to capitalize fixed assets additions costing $500 or greater. Depreciation expense for the year ended December 31, 2015 is $5,639.

Note 5 - Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income gains are recognized. The fair value of investments was $204,748 as of December 31, 2015.

Investments are summarized as follows as of December 31, 2015:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value, January 1, 2015</td>
<td>$197,936</td>
</tr>
<tr>
<td>Dividend and Interest Income</td>
<td>2,576</td>
</tr>
<tr>
<td>Realized Gain on Sale of Investments</td>
<td>31,801</td>
</tr>
<tr>
<td>Unrealized Loss</td>
<td>(28,651)</td>
</tr>
<tr>
<td>Management Fees</td>
<td>(1,814)</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,900</td>
</tr>
<tr>
<td>Market Value, December 31, 2015</td>
<td>$204,748</td>
</tr>
</tbody>
</table>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2015.

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividends Income</td>
<td>$221</td>
<td>$2,576</td>
<td>$2,797</td>
</tr>
<tr>
<td>Realized Gains(Loss)</td>
<td>---</td>
<td>31,801</td>
<td>31,801</td>
</tr>
<tr>
<td>Unrealized Gains(Loss)</td>
<td>---</td>
<td>(28,651)</td>
<td>(28,651)</td>
</tr>
<tr>
<td></td>
<td><strong>$221</strong></td>
<td><strong>$5,726</strong></td>
<td><strong>$5,947</strong></td>
</tr>
</tbody>
</table>

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The Community Soup Kitchen, Incorporated  
Notes to the Financial Statements  
December 31, 2015

Note 6 – Contributed Supplies and Services

The Organization receives in-kind donations from businesses that provide a variety of goods. When measurable, in-kind donations have been recognized in the statement of activities because the criteria for recognition under Statement of Financial Accounting Standards (SFAS) No. 116, “Accounting for Contributions Received and Contributions Made” has been satisfied. Under SFAS No. 116, the Organization recognizes contributions received as revenues in the period they are received at their fair market values.

The value of in-kind donations received for the year ended December 31, 2015 was $201,200.

Note 7 – Commitments

The Organization is located and operated in a portion of another not-for-profit entity’s building. The Organization reimburses that entity for occupancy expenses on a monthly basis at the cost of $1,350 per month. The occupancy cost for the year ended December 31, 2015 totaled $16,200.

The Organization entered into an agreement for outside labor in the amount of $14,000 annually through June, 2015 and $14,000 annually through June, 2016. The total paid for the year ended December 31, 2015 was $14,000.

The Organization leases storage space for three month periods in the amount of $1,125 each quarter. This agreement is cancellable at any time and the total paid for the year ended December 31, 2015 was $4,500.

Note 8 – Employee Retirement Plan

In October, 2011, the Organization implemented a SIMPLE Individual Retirement Account Plan. The Organization contributes up to six percent of an employee qualified wages. The retirement plan expense for the year ended December 31, 2015 was $2,869.

Note 9 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 24, 2016, which is the date the financial statements were available to be issued.

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