

THE COMMUNITY SOUP KITCHEN, INCORPORATED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The Community Soup Kitchen, Incorporated
Year Ended December 31, 2013
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-INDEPENDENT AUDITOR'S REPORT-

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, 2013, 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

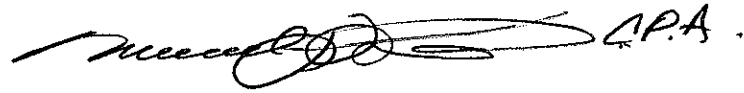
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements 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, 2013, and the changes in net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

A handwritten signature in black ink, followed by the letters "CPA" and a period. The signature is stylized and difficult to read.

Milford, Connecticut
June 6, 2014

The Community Soup Kitchen, Incorporated
Statement of Financial Position
December 31, 2013

ASSETS

Current Assets

Cash and Cash Equivalents	\$136,043
Investments	177,953
Prepaid Expenses	<u>8,267</u>

Total Current Assets \$322,263

Property and Equipment

Leasehold Improvements	151,487
Furniture and Fixtures	46,666
Office Equipment	1,174
Vehicles	<u>21,459</u>
Total Property and Equipment	220,786
Less: Accumulated Depreciation	<u>79,931</u>

Net Property and Equipment 140,855

Total Assets \$463,118

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	<u>\$3,943</u>
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Total Current Liabilities \$3,943

NET ASSETS

Net Assets

Unrestricted Net Assets	343,310
Temporarily Restricted Net Assets	<u>115,865</u>

Total Net Assets 459,175

Total Liabilities and Net Assets \$463,118

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

The Community Soup Kitchen, Incorporated
Statement of Activities
Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue:			
Contributions	\$318,998	\$3,637	\$322,635
Fundraising	50,269		50,269
Investment	<u>786</u>	<u>18,294</u>	<u>19,080</u>
Total Public Support and Revenue	<u>370,053</u>	<u>21,931</u>	<u>391,984</u>
Expenditures:			
Program Services	345,135	-	345,135
Management and General	19,505	1,189	20,694
Fundraising	<u>14,063</u>	<u>-</u>	<u>14,063</u>
Total Expenditures	<u>378,703</u>	<u>1,189</u>	<u>379,892</u>
Increase/(Decrease) in Net Assets	(8,650)	20,742	12,092
Fund Transfers	3,471	(3,471)	-
Net Assets, January 1, 2013	<u>348,489</u>	<u>98,594</u>	<u>447,083</u>
Net Assets, December 31, 2013	<u>\$343,310</u>	<u>\$115,865</u>	<u>\$459,175</u>

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

The Community Soup Kitchen, Incorporated
Statement of Functional Expenses
Year Ended December 31, 2013

Functional Expenses	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food	\$136,549	-	-	\$136,549
Salaries	90,527	\$12,212	\$3,763	106,502
Kitchen Supplies	8,906	-	-	8,906
Outside Labor	13,800	-	-	13,800
Professional Fees	2,805	495	-	3,300
Insurance - General	14,532	-	-	14,532
Payroll Taxes	10,514	1,568	288	12,370
Employee Benefits	26,386	4,656	-	31,042
Payroll Service Fees	2,688	474	-	3,162
Depreciation	8,193	-	-	8,193
Transportation	5,750	-	-	5,750
Dues and Subscriptions	-	50	-	50
Investment Management Fee	-	1,189	-	1,189
Filing Fee	-	50	-	50
Fundraising	-	-	10,012	10,012
Occupancy	15,000	-	-	15,000
Office Supplies	665	-	-	665
Repairs and Maintenance	3,323	-	-	3,323
Storage	4,500	-	-	4,500
Telephone	474	-	-	474
Unrealized Loss on Investments	<u>523</u>	=	=	<u>523</u>
Totals	<u>\$345,135</u>	<u>\$20,694</u>	<u>\$14,063</u>	<u>\$379,892</u>

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

The Community Soup Kitchen, Incorporated
Statement of Cash Flows
Year Ended December 31, 2013

Cash Flows from Operating Activities:

Increase in Net Assets	\$ 12,092	
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	8,193	
Investment Income	(6,263)	
Realized Gain on Sale of Investments	(2,202)	
Unrealized Gain on Investments	(8,820)	
Increase (Decrease) in Prepaid Expenses	(1,021)	
Increase (Decrease) in Accounts Payable and Accrued Expenses	(37)	
 Net Cash Provided By (Used In) Operating Activities		<u>\$1,942</u>
 Net Increase in Cash and Cash Equivalents		1,942
 Cash and Cash Equivalents, January 1, 2013		<u>134,101</u>
 Cash and Cash Equivalents, December 31, 2013		<u>\$136,043</u>

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

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
December 31, 2013

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 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, 2013.

-See Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
December 31, 2013

Income Tax Status (continued)

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 2009.

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, 2013, the cash and cash equivalents are \$136,043.

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, 2013 is \$8,193.

See Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
December 31, 2013

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 \$177,953 as of December 31, 2013.

Investments are stated at fair value and are summarized as follows as of December 31, 2013:

	<u>2013</u>
Market Value, January 1, 2013	\$160,668
Dividend and Interest Income	7,286
Realized Gain on Sale of Investments	2,202
Unrealized Gain	8,820
Net Transfers, Net	166
Management Fees	<u>(1,189)</u>
Market Value, December 31, 2013	<u>\$177,953</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2013.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest Income	\$473	---	\$473
Dividends	6	\$7,056	7,062
Realized Gains(Loss)	307	1,895	2,202
Unrealized Gains(Loss)	<u>(523)</u>	<u>9,343</u>	<u>8,820</u>
	<u>\$263</u>	<u>\$18,294</u>	<u>\$18,557</u>

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.

As of December 31, 2013 the value of in-kind donations received was \$60,625.

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
December 31, 2013

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 \$1,250 per month. The occupancy cost for the year ended December 31, 2013 totaled \$15,000.

The Organization entered into an agreement for outside labor in the amount of \$12,000 annually through June, 2013. The total paid for the year ended December 31, 2013 was \$13,800.

The Organization leases storage space for three month periods in the amount of \$1,125 each quarter. This agreement is cancellable at anytime and the total paid for the year ended December 31, 2013 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, 2013 was \$2,730.

Note 9 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through June 6, 2014, which is the date the financial statements were available to be issued.