

**THE COMMUNITY SOUP KITCHEN, INCORPORATED**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

**The Community Soup Kitchen, Incorporated**  
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**Year Ended December 31, 2023**

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**-INDEPENDENT AUDITOR'S REPORT-**

The Board of Directors  
The Community Soup Kitchen, Incorporated  
New Haven, Connecticut

**Opinion**

I have audited the accompanying financial statements of The Community Soup Kitchen, Incorporated, (a nonprofit organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Soup Kitchen, Incorporated as of December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Community Soup Kitchen, Incorporated and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Community Soup Kitchen, Incorporated's ability to continue as a going concern for the year ended December 31, 2023.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures to the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Soup Kitchen, Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Community Soup Kitchen, Incorporated's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters; the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.



Milford, Connecticut  
October 3, 2024

**The Community Soup Kitchen, Incorporated**  
**Statement of Financial Position**  
**December 31, 2023**

**ASSETS**

Current Assets		
Cash and Cash Equivalents	\$129,123	
Investments	284,682	
Prepaid Expense	<u>5,375</u>	
Total Current Assets		\$419,180
Property and Equipment		
Leasehold Improvements	198,726	
Furniture and Fixtures	63,920	
Office Equipment	1,174	
Vehicles	<u>35,087</u>	
Total Property and Equipment	298,907	
Less: Accumulated Depreciation	<u>151,337</u>	
Net Property and Equipment		<u>147,570</u>
Total Assets		<u>\$566,750</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Current Liabilities		
Accounts Payable and Accrued Expenses	<u>\$28,671</u>	
Total Current Liabilities		\$28,671

**NET ASSETS**

Net Assets		
Without Donor Restrictions	<u>538,079</u>	
Total Net Assets		<u>538,079</u>
Total Liabilities and Net Assets		<u>\$566,750</u>

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

**The Community Soup Kitchen, Incorporated**  
**Statement of Activities**  
**Year Ended December 31, 2023**

**Changes in Net Assets Without Donor Restrictions:**

Revenue and Gains		
Contributions	\$554,418	
Interest	<u>187</u>	
Total Revenues and Gains Without Donor Restrictions		\$554,605

**Expenses and Losses Without Donor Restrictions:**

Program Services	588,882	
Management and General	31,816	
Fundraising	<u>11,492</u>	
Total Expenses and Losses Without Donor Restrictions		<u>632,190</u>

**Operating Expenses and Losses in Excess  
of Operating Revenues and Gains** (77,585)

**Other Items (considered to be non-operating)**

Investment Income, Net	<u>30,558</u>	
Total Other Items		<u>30,558</u>

Decrease in Net Assets Without Donor Restrictions (47,027)

**Net Assets, January 1, 2023** 585,106

**Net Assets, December 31, 2023** \$538,079

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

**The Community Soup Kitchen, Incorporated**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

Functional Expenses	<b><u>Supporting Services</u></b>			<b><u>Total</u></b>
	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	
Food	\$265,406	-	-	\$265,406
Salaries	142,616	\$20,134	\$5,033	167,783
Kitchen Supplies	37,875	-	-	37,875
Professional Fees	8,974	2,992	-	11,966
Insurance - General	22,663	-	-	22,663
Payroll Taxes	16,712	2,359	590	19,661
Employee Benefits	7,288	1,029	257	8,574
Payroll Service Fees	3,314	468	117	3,899
Merchant Fees	1,816	272	-	2,088
Depreciation	16,203	-	-	16,203
Development	9,337	3,112	-	12,449
Transportation	8,649	-	-	8,649
Office Supplies	1,991	663	-	2,654
Postage	1,855	619	-	2,474
Fundraising	-	-	5,495	5,495
Occupancy	29,800	-	-	29,800
Repairs and Maintenance	8,017	-	-	8,017
Storage	4,500	-	-	4,500
Property and Other Taxes	502	168	-	670
Telephone	492	-	-	492
Uniforms	<u>872</u>	-	-	<u>872</u>
<b>Totals</b>	<b><u>\$588,882</u></b>	<b><u>\$31,816</u></b>	<b><u>\$11,492</u></b>	<b><u>\$632,190</u></b>

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

**The Community Soup Kitchen, Incorporated**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

**Cash Flows from Operating Activities:**

Changes in Net Assets Without Donor Restrictions	(\$47,027)	
Adjustments to Reconcile Changes in Net Assets Without Donor Restrictions to Net Cash Provided By/(Used In) Operating Activities:		
Depreciation	16,203	
Investment Income, Net	(30,558)	
(Increase) Decrease in Grants Receivable	40,554	
(Increase) Decrease in Prepaid Expense	(962)	
Increase (Decrease) in Accounts Payable and Accrued Expenses	7,933	
Increase (Decrease) in Deferred Revenue	<u>(17,330)</u>	
 Net Cash Provided By (Used In) Operating Activities		 (\$31,187)

**Cash Flows from Investing Activities:**

Transfers to Investments	(2,095)	
Transfers from Investments	<u>50,588</u>	
 Net Cash Provided By (Used In) Investing Activities		 <u>48,493</u>
 Net Increase in Cash and Cash Equivalents		 17,306
 Cash and Cash Equivalents, January 1, 2023		 <u>111,817</u>
 Cash and Cash Equivalents, December 31, 2023		 <u>\$129,123</u>

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

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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**

**New Accounting Pronouncement**

Effective July 1, 2019, the Organization adopted ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”). This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. This amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. ASU 2018-08 is effective for annual periods beginning after December 31, 2018 for resource recipients and for annual periods beginning after December 31, 2019 for resource providers. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributions and therefore no changes to the previous issued audited financial statements were required on a retrospective basis.

**Basis of Accounting**

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

-See Independent Auditor’s Report-

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Income Tax Status (continued)**

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 not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2023.

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 2016.

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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Contributions**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

**Cost Allocation**

The financial statements report certain categories of expenses that 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 salaries and employee benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, occupancy and other expenses.

-See Independent Auditor's Report-

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Use of Estimates**

The preparation of 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.

**Advertising Costs**

Advertising costs are expensed in the period they are incurred.

**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, 2023, cash and cash equivalents totaled \$129,123.

**Note 4 - Investments**

The Organization maintains investments for excess operating cash and future planning purposes.

The fair value measurement and levels within the fair value hierarchy of those measurements for the assets reported as fair value on a recurring basis at December 31, 2023 are as follows:

<b><u>Description</u></b>	<b><u>Fair Value</u></b>	<b>Quoted Prices in Markets for Identical Assets <u>Level I</u></b>
Trading Securities		
Mutual Funds	<u>\$284,682</u>	<u>\$284,682</u>
Total Trading Securities	<u>\$284,682</u>	<u>\$284,682</u>

**Note 5 – Grants and Deferred Revenue**

In 2020 the Organization was awarded a grant totaling \$75,000. The amount of \$10,417 was recognized as revenue in 2023, and \$0 was recorded as deferred revenue as of December 31, 2023 from this grant award.

-See Independent Auditor's Report-

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Note 5 – Grants and Deferred Revenue (continued)**

In 2021 the Organization was awarded a grant totaling \$31,108. The amount of \$6,913 was recognized as revenue in 2023, and \$0 was recorded as deferred revenue as of December 31, 2023 from this grant award.

**Note 6 – Contributed Supplies and Services**

The Organization receives in-kind donations from unpaid volunteers and businesses who perform a variety of tasks. When measurable, in-kind donations have been recognized in the statement of activities. 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, 2023 was \$242,373. This amount consists of food inventory of \$241,973 and \$400 in professional services.

**Note 7 – Commitments**

The Organization is located and operates in a portion of another not-for-profit entity's building. The Organization reimburses that entity for occupancy expenses on a month-to-month basis at the cost of \$2,483 per month. The occupancy cost for the year ended December 31, 2023 totaled \$29,800.

In the 2023 fiscal year the Organization paid for the use of parking spaces at a monthly cost of \$195 on a month-to-month basis. The parking costs for the year ended December 31, 2023 totaled \$2,340 which are including in the Organization's transportation costs.

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, 2023 was \$4,500.

**Note 8 – Subsequent Events**

Management has made an evaluation and concluded that there have been no subsequent events from December 31, 2023 through October 3, 2024, the date on which the financial statements were available to be issued.

-See Independent Auditor's Report-

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Note 9 – Property and Equipment**

Property and equipment consists of leasehold improvements, furniture and fixtures, office equipment and vehicles and all assets are recorded at cost. Depreciation is provided on fixed assets over five to thirty-nine year useful lives. The Organization maintains a capitalization threshold of \$2,500. A summary of property and equipment for the year ended December 31, 2023 is as follows:

	<b>Balance, <u>December 31, 2023</u></b>
Leasehold Improvements	\$198,726
Furniture and Fixtures	63,920
Office Equipment	1,174
Vehicles	<u>35,087</u>
Totals	<u>\$298,907</u>
Less: Accumulated Depreciation for	
Leasehold Improvements	\$74,348
Furniture and Fixtures	50,671
Office Equipment	1,174
Vehicles	<u>25,144</u>
Totals	<u>\$151,337</u>
Total Property and Equipment, Net of Accumulated Depreciation	<u>\$147,570</u>

Depreciation expense for the year ended December 31, 2023 is \$16,203.

-See Independent Auditor's Report-

**The Community Soup Kitchen, Incorporated**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Note 10 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2023.

	<b><u>2023</u></b>
<b>Financial Assets as of December 31, 2023</b>	\$419,180
Less those unavailable for general expenditures within one year due to restrictions	<u>5,375</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year</b>	<b><u>\$413,805</u></b>

-See Independent Auditor's Report-