

THE COMMUNITY SOUP KITCHEN, INCORPORATED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The Community Soup Kitchen, Incorporated
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Year Ended December 31, 2024

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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, 2024, 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, 2024 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, 2024.

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
July 15, 2025

The Community Soup Kitchen, Incorporated
Statement of Financial Position
December 31, 2024

ASSETS

Current Assets

Cash and Cash Equivalents	\$102,710	
Investments	312,873	
Grants Receivable	30,000	
Employee Advances	1,250	
Prepaid Expenses	<u>6,405</u>	
Total Current Assets		\$453,238

Property and Equipment

Leasehold Improvements	198,726	
Equipment	69,477	
Office Equipment	1,174	
Vehicles	<u>35,087</u>	
Total Property and Equipment	304,464	
Less: Accumulated Depreciation	<u>167,937</u>	
Net Property and Equipment		136,527

Other Assets

Website, Net of Accumulated		
Amortization of \$1,760	<u>7,840</u>	
Total Other Assets		<u>7,840</u>
Total Assets		<u>\$597,605</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$34,771	
Deferred Revenue	<u>61,554</u>	
Total Current Liabilities		\$96,325

NET ASSETS

Net Assets

Without Donor Restrictions	<u>501,280</u>	
Total Net Assets		<u>501,280</u>
Total Liabilities and Net Assets		<u>\$597,605</u>

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

The Community Soup Kitchen, Incorporated
Statement of Activities
Year Ended December 31, 2024

Changes in Net Assets Without Donor Restrictions:

Revenue and Gains		
Contributions	\$449,440	
Contributions of Non-Financial Assets	281,801	
Fundraising	3,000	
Interest	<u>123</u>	
 Total Revenues and Gains Without Donor Restrictions		 \$734,364

Expenses and Losses Without Donor Restrictions:

Program Services	697,168	
Management and General	39,167	
Fundraising	<u>62,573</u>	
 Total Expenses and Losses Without Donor Restrictions		 <u>798,908</u>

**Operating Expenses and Losses in Excess
of Operating Revenues and Gains** (64,544)

Other Items (considered to be non-operating)

Investment Income, Net	<u>27,745</u>	
 Total Other Items		 <u>27,745</u>

Decrease in Net Assets Without Donor Restrictions (36,799)

Net Assets, January 1, 2024 538,079

Net Assets, December 31, 2024 \$501,280

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

The Community Soup Kitchen, Incorporated
Statement of Functional Expenses
Year Ended December 31, 2024

Functional Expenses	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Food	\$314,140	-	-	\$314,140
Salaries	170,681	\$24,096	\$6,024	200,801
Kitchen Supplies	55,960	-	-	55,960
Professional Fees	30,600	10,200	-	40,800
Insurance - General	23,760	-	-	23,760
Payroll Taxes	19,082	2,694	673	22,449
Employee Benefits	7,390	1,043	261	8,694
Payroll Service Fees	4,347	614	153	5,114
Merchant Fees	703	234	-	937
Depreciation	16,600	-	-	16,600
Amortization	1,760	-	-	1,760
Development	-	-	55,462	55,462
Transportation	9,320	-	-	9,320
Occupancy	33,000	-	-	33,000
Repairs and Maintenance	3,937	-	-	3,937
Storage	4,500	-	-	4,500
Property and Other Taxes	858	286	-	1,144
Telephone	<u>530</u>	<u>-</u>	<u>-</u>	<u>530</u>
Totals	<u>\$697,168</u>	<u>\$39,167</u>	<u>\$62,573</u>	<u>\$798,908</u>

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

The Community Soup Kitchen, Incorporated
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities:

Changes in Net Assets Without Donor Restrictions	(\$36,799)	
Adjustments to Reconcile Changes in Net Assets Without Donor Restrictions to Net Cash Provided By/(Used In) Operating Activities:		
Depreciation	16,600	
Amortization	1,760	
Investment Income, Net	(27,745)	
(Increase) Decrease in Grants Receivable	(30,000)	
(Increase) Decrease in Prepaid Expenses	(1,030)	
(Increase) Decrease in Employee Advances	(1,250)	
Increase (Decrease) in Accounts Payable and Accrued Expenses	6,100	
Increase (Decrease) in Deferred Revenue	<u>61,554</u>	
 Net Cash Provided By (Used In) Operating Activities		 (\$10,810)

Cash Flows from Investing Activities:

Purchase of Equipment	(5,557)	
Purchase of Web Site	(9,600)	
Transfers to Investments	(1,125)	
Transfers from Investments	<u>679</u>	
 Net Cash Provided By (Used In) Investing Activities		 <u>(15,603)</u>
 Net Decrease in Cash and Cash Equivalents		 (26,413)
 Cash and Cash Equivalents, January 1, 2024		 <u>129,123</u>
 Cash and Cash Equivalents, December 31, 2024		 <u>\$102,710</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, 2024

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.

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 not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2024.

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 2017.

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

-See Independent Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
Year Ended December 31, 2024

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.

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, 2024, cash and cash equivalents totaled \$102,710.

-See Independent Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
Year Ended December 31, 2024

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, 2024 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Markets for Identical Assets Level I</u>
Trading Securities		
Mutual Funds	<u>\$312,873</u>	<u>\$312,873</u>
Total Trading Securities	<u>\$312,873</u>	<u>\$312,873</u>

Investment income for the year ended December 31, 2024 is as follows:

Dividends and Interest	\$1,960
Net Realized Gains	8,574
Net Unrealized Gains	<u>20,952</u>
Total Investment Income	31,486
Investment Fees	<u>(3,741)</u>
Investment Income, Net	<u>\$27,745</u>

Note 5 – Grants and Deferred Revenue

In 2024 the Organization was awarded a grant totaling \$6,000. The amount of \$-0- was recognized as revenue in 2024, and \$6,000 was recorded as deferred revenue as of December 31, 2024 from this grant award.

In 2024 the Organization was awarded a grant totaling \$10,000. The amount of \$1,108 was recognized as revenue in 2024, and \$8,892 was recorded as deferred revenue as of December 31, 2024 from this grant award.

In 2024 the Organization was awarded a grant totaling \$55,000. The amount of \$8,338 was recognized as revenue in 2024, and \$46,662 was recorded as deferred revenue as of December 31, 2024 from this grant award.

-See Independent Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
Year Ended December 31, 2024

Note 6 – Contributions of Non-Financial Assets

The Organization receives contributions of non-financial assets from unpaid volunteers and businesses who perform a variety of tasks. When measurable, these contributions have been recognized in the statement of activities. The Organization recognizes contributions of non-financial assets received as revenues in the period they are received at their fair market values.

The value of the contributions of non-financial assets received for the year ended December 31, 2024 was \$281,801. This amount consists of food inventory of \$274,421 and \$7,380 in supplies.

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, 2024 totaled \$29,800.

The Organization entered into an agreement to provide fundraising and developmental support on a month to month basis at the cost of \$2,000 per month. The total paid for the year ended December 31, 2024 was \$24,000.

In May, 2024, the Organization entered into a lease for operating space for the six month period through November, 2024 and on a month to month basis, thereafter for \$400 per month. The occupancy cost for the year ended December 31, 2024 totaled \$3,200.

The Organization paid for the use of parking spaces at a monthly cost of \$195 on a month-to-month basis through March 2024, and \$65 per month, thereafter. The parking costs for the year ended December 31, 2024 totaled \$1,105 which is included 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, 2024 was \$4,500.

Note 8 – Other Assets

Other assets in 2024 consist of website costs totaling \$9,600. The website is amortized on a straight-line basis over a sixty month period. Amortization expense for 2024 totaled \$1,760.

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
Year Ended December 31, 2024

Note 9 – Employee Advance

In October 2024, the Organization paid an advance of \$1,700 to an employee. This amount is being repaid in weekly installments of \$50 and is guaranteed by the employee.

Note 10 – 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, 2024 is as follows:

	Balance, <u>December 31, 2024</u>
Leasehold Improvements	\$198,726
Equipment	69,477
Office Equipment	1,174
Vehicles	<u>35,087</u>
Totals	<u>\$304,464</u>
Less: Accumulated Depreciation for	
Leasehold Improvements	\$81,068
Equipment	53,534
Office Equipment	1,174
Vehicles	<u>32,161</u>
Totals	<u>\$167,937</u>
Total Property and Equipment, Net of Accumulated Depreciation	<u>\$136,527</u>

Depreciation expense for the year ended December 31, 2024 is \$16,600.

-See Independent Auditor's Report-

The Community Soup Kitchen, Incorporated
Notes to the Financial Statements
Year Ended December 31, 2024

Note 11 – Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2024.

	<u>2024</u>
Financial Assets as of December 31, 2024	\$453,238
Less those unavailable for general expenditures within one year due to restrictions	<u>11,405</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$441,833</u>

Note 12 – Subsequent Events

Management has made an evaluation and concluded that there have been no subsequent events from December 31, 2024 through July 15, 2025, the date on which the financial statements were available to be issued.

-See Independent Auditor’s Report-