

THE SOUP KITCHEN, INC.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 and 2015

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QUANTUM FINANCIAL ADVISORS, P.A.
A Certified Public Accounting Firm
639 East Ocean Avenue, Suite 309
Boynton Beach, Florida 33435

Accountant's Compilation Report

To The Board of Directors of the
The Soup Kitchen, Inc.
Boynton Beach, FL

Management is responsible for the accompanying financial statements of The Soup Kitchen, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities and net assets - cash basis as of December 31, 2016 and 2015, and the related statements of revenues, expenses and changes in net assets - cash basis and functional expenses - cash basis for the three months then ended and for the fiscal year ended September 30, 2016, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, net assets, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Michael Pilato, CPA

Michael Pilato, CPA
Boynton Beach, Florida
January 14, 2017

The Soup Kitchen, Inc.
Statements of Assets, Liabilities, and Net Assets - Cash Basis
As of December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
<u>Current Assets</u>		
Bank Of America Operating	\$ 272,366	\$ 242,149
Bank of America Savings	56,636	25,608
Bank Of America Checking	2,534	0
FL Community Bank CD, matures 1/13/2017	108,437	107,446
FL Community Bank CD, matures 1/13/2017	51,848	51,351
FL Community Bank CD, matures 7/22/2017	141,436	139,699
Legacy Bank CD, matures 7/30/2016	0	167,961
Prepaid Payroll Taxes	7,176	2,915
	640,433	737,129
<u>Fixed Assets</u>		
Computers & Peripherals	1,166	1,166
Leasehold Improvements	89,721	89,721
Kitchen Equipment & Remodel	135,297	135,297
Vehicles	160,734	160,734
Building Construction Costs	445,737	445,737
Building Expansion Costs	104,114	104,114
	936,769	936,769
Total Fixed Assets at Cost	936,769	936,769
Accumulated Depreciation	(432,778)	(374,583)
	503,991	562,186
<u>Land Lease Prepayment</u>		
Land Lease, 99 years effective 6/97	50,000	50,000
	50,000	50,000
Total Land Lease Cost	50,000	50,000
Accumulated Amortization	(9,889)	(9,384)
	40,111	40,616
<u>Other Assets</u>		
Security Deposit - Utilities	765	765
Legacy Bank CD, matures 1/30/2018	169,774	0
	170,539	765
	\$ 1,355,074	\$ 1,340,696

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The Soup Kitchen, Inc.
 Statements of Assets, Liabilities, and Net Assets - Cash Basis
 As of December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
<u>Net Assets</u>		
Unrestricted	1,355,074	1,324,601
Temporarily Restricted (Meals on Wheels)	0	16,095
Total Net Assets	1,355,074	1,340,696
TOTAL LIABILITIES AND		
NET ASSETS	\$ 1,355,074	\$ 1,340,696

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The Soup Kitchen, Inc.
 Statements of Revenues, Expenses and Changes in Net Assets - Cash Basis
 For The Three Months Ended December 31, 2016 and 2015

	Current YTD	Prior Yrs YTD
<u>Revenues</u>		
Donations, Unrestricted	\$ 319,020	\$ 306,670
Interest and Dividends	1,126	1,194
Total Revenues	320,146	307,864
 <u>Expenses</u>		
Program Services Expenses	122,750	139,861
General and Administrative Expenses	21,391	13,998
Total Expenses	144,141	153,859
Increase (Decrease) in Net Assets	176,005	154,005
Net Assets at Beginning of Period	1,179,069	1,186,691
Net Assets at End of Period	\$ 1,355,074	\$ 1,340,696

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The Soup Kitchen, Inc.
Statements of Functional Expenses - Cash Basis
For The Three Months Ended December 31, 2016 and 2015

	Current YTD	% to Revenues	Prior Yrs YTD	Variance Inc (Dec)
<u>Program Services Expenses</u>				
Food Purchases	10,415	3.3	12,267	(1,852)
Auto & Truck Expense	4,401	1.4%	3,146	1,255
Casual Labor	200	0.1	810	(610)
Cleaning & Exterminating	93	0.0	87	6
Depreciation	14,174	4.4	14,389	(215)
Kitchen and Other Supplies	903	0.3	654	249
Land Lease Expense	126	0.0	126	0
Payroll Taxes	4,236	1.3	5,631	(1,395)
Employee Benefits	1,370	0.4	1,383	(13)
Meals on Wheels Project	40,678	12.7	46,778	(6,100)
Penalties	(1)	0.0	(1)	0
Repairs & Maintenance	4,947	1.5	1,494	3,453
Security Expense	184	0.1	175	9
Taking Care of Our Babies Project	27,191	8.5	30,445	(3,254)
Taxes - Real Estate	3,772	1.2	0	3,772
Telephone	1,767	0.6	1,416	351
Utilities - Electric	3,114	1.0	3,741	(627)
Utilities - Waste Removal	1,977	0.6	1,545	432
Utilities - Water	526	0.2	519	7
Utilities - Gas	1,530	0.5	1,003	527
Wages	55,865	17.4	75,521	(19,656)
Meals on Wheels Allocation	(32,460)	(10.1)	(36,396)	3,936
Taking Care of Our Babies Allct'n	(22,258)	(7.0)	(24,872)	2,614
Total Program Services Expenses	<u>122,750</u>	<u>38.3%</u>	<u>139,861</u>	<u>(17,111)</u>
 <u>General and Administrative Expenses</u>				
Accounting and Bookkeeping	1,650	0.5%	3,685	(2,035)
Audit Expense	1,617	0.5	1,663	(46)
Advertising and Promotion	1,490	0.5	965	525
Bank Charges	90	0.0	0	90
Consulting/Fund Raising Fees	1,650	0.5	1,650	0
Insurance	12,261	3.8	12,392	(131)
Licenses & Fees	190	0.1	145	45
Office Expense & Supplies	327	0.1	1,018	(691)
Postage & Express Services	462	0.1	255	207
Printing & Copying	0	0.0	523	(523)
Special Event Expense	11,522	3.6	2,849	8,673
Meals on Wheels Allocation	(4,934)	(1.5)	(5,574)	640
Taking Care of Our Babies Allct'n	(4,934)	(1.5)	(5,573)	639
Total G & A Expenses	<u>21,391</u>	<u>6.7%</u>	<u>13,998</u>	<u>7,393</u>
 Total Expenses	 <u>144,141</u>	 <u>45.0%</u>	 <u>153,859</u>	 <u>(9,718)</u>

See Accountant's Compilation Report

The Soup Kitchen, Inc.
Statements of Revenues and Expenses - Cash Basis
For The Three Months Ended December 31, 2016 and the Year ended September 30, 2015

	Current Year					Prior Year				
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total Year	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total Year
Revenues										
Donations, Unrestricted	\$319,020	\$ 0	\$ 0	\$ 0	\$ 319,020	\$306,670	\$ 33,380	\$115,403	\$ 47,017	\$ 502,470
Interest and Dividends	1,126	0	0	0	1,126	1,194	1,591	1,146	1,204	5,135
Total Revenues	320,146	0	0	0	320,146	307,864	34,971	116,549	48,221	507,605
Program Services Expenses										
Food Purchases	10,414	0	0	0	10,414	12,266	9,279	9,607	8,279	39,431
Auto & Truck Expense	4,401	0	0	0	4,401	3,146	4,777	3,460	4,036	15,419
Casual Labor	200	0	0	0	200	810	240	0	0	1,050
Cleaning & Exterminating	93	0	0	0	93	87	145	91	93	416
Depreciation	14,174	0	0	0	14,174	14,389	14,676	14,675	14,670	58,410
Kitchen and Other Supplies	903	0	0	0	903	654	775	1,433	1,437	4,299
Land Lease Expense	126	0	0	0	126	126	127	126	126	505
Payroll Taxes	4,236	0	0	0	4,236	5,631	4,686	4,437	4,464	19,218
Employee Benefits	1,370	0	0	0	1,370	1,383	2,055	2,740	2,055	8,233
Meals on Wheels Project	40,678	0	0	0	40,678	46,778	37,696	36,633	38,017	159,124
Repairs & Maintenance	4,947	0	0	0	4,947	1,494	3,017	5,560	6,642	16,713
Security Expense	184	0	0	0	184	175	350	0	367	892
Taking Care of Our Babies Proj	27,191	0	0	0	27,191	30,445	24,835	22,571	23,900	101,751
Taxes - Real Estate	3,772	0	0	0	3,772	0	3,874	0	0	3,874
Telephone	1,767	0	0	0	1,767	1,416	2,113	1,705	1,622	6,856
Utilities - Electric	3,114	0	0	0	3,114	3,741	2,982	3,538	3,138	13,399
Utilities - Waste Removal	1,977	0	0	0	1,977	1,545	1,456	1,504	1,674	6,179
Utilities - Water	526	0	0	0	526	519	590	723	381	2,213
Utilities - Gas	1,530	0	0	0	1,530	1,003	1,691	1,382	1,345	5,421
Wages	55,865	0	0	0	55,865	75,521	53,275	57,665	57,193	243,654
Meals on Wheels Allocation	(32,460)	0	0	0	(32,460)	(36,396)	(31,663)	(30,443)	(32,727)	(131,229)
Taking Care of Our Babies Allc	(22,258)	0	0	0	(22,258)	(24,872)	(22,115)	(21,072)	(21,704)	(89,763)
Total Program Services Expenses	122,750	0	0	0	122,750	139,861	114,861	116,335	115,008	486,065
General and Administrative Expen										
Accounting and Bookkeeping	1,650	0	0	0	1,650	3,685	2,495	1,650	2,775	10,605
Audit Expense	1,617	0	0	0	1,617	1,663	3,233	0	0	4,896
Advertising and Promotion	1,490	0	0	0	1,490	965	0	374	0	1,339
Bank Charges	90	0	0	0	90	0	0	0	12	12
Consulting/Fund Raising Fees	1,650	0	0	0	1,650	1,650	1,650	2,025	1,650	6,975
Dues & Subscriptions	0	0	0	0	0	0	129	0	50	179
Insurance	12,261	0	0	0	12,261	12,392	1,695	(155)	1,695	15,627
Legal Fees	0	0	0	0	0	0	0	1,280	0	1,280
Licenses & Fees	190	0	0	0	190	145	61	0	490	696
Office Expense & Supplies	327	0	0	0	327	1,018	1,269	664	1,429	4,380
Postage & Express Services	462	0	0	0	462	255	315	21	144	735
Printing & Copying	0	0	0	0	0	523	22	136	545	1,226
Special Event Expense	11,522	0	0	0	11,522	2,849	307	1,383	648	5,187
Meals on Wheels Allocation	(4,934)	0	0	0	(4,934)	(5,574)	(2,717)	(1,499)	(2,198)	(11,988)
Taking Care of Our Babies Allc	(4,934)	0	0	0	(4,934)	(5,573)	(2,717)	(1,498)	(2,199)	(11,987)
Total G & A Expenses	21,391	0	0	0	21,391	13,998	5,742	4,381	5,041	29,162
Total Expenses	144,141	0	0	0	144,141	153,859	120,603	120,716	120,049	515,227
Net Increase (Decrease) in Unrestricted Net Assets	\$176,005	\$ 0	\$ 0	\$ 0	\$ 176,005	\$154,005	\$ (85,632)	\$ (4,167)	\$ (71,828)	\$ (7,622)

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