

THE SOUP KITCHEN, INC.

FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016

TABLE OF CONTENTS

ACCOUNTANT'S COMPILATION REPORT	1
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS	2 - 3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS	4
STATEMENTS OF FUNCTIONAL EXPENSES - CASH BASIS	5
STATEMENTS OF REVENUES AND EXPENSES - CASH BASIS	6

Quantum Financial Advisors, P.A.
A Certified Public Accounting Firm
1375 Gateway Boulevard
Boynton Beach, FL 33426-8304

Accountant's Compilation Report

To The Board of Directors of
The Soup Kitchen, Inc.
PO Box 741155
Boynton Beach FL 33474-1155

Management is responsible for the accompanying financial statements of The Soup Kitchen, Inc. (a non-profit organization), which comprise the statements of assets, liabilities, and net assets - cash basis as of December 31, 2017 and 2016, 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, 2017, 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 J. Pilato, CPA

Michael J. Pilato, CPA
Boynton Beach, Florida
January 17, 2018

The Soup Kitchen, Inc.
Statements of Assets, Liabilities, and Net Assets - Cash Basis
December 31, 2017 and 2016

	2017	2016
Assets		
Current assets		
BOA Operating Account	\$ 256,903	\$ 272,366
BOA Savings Account	31,666	56,636
BOA Assistance Account	38	2,534
FL Community Bank CD, matures 1/13/2018	109,072	108,437
FL Community Bank CD, matures 1/13/2017	0	51,848
FL Community Bank CD, matures 7/22/2018	142,723	141,436
Legacy Bank CD, matures 1/17/2018	52,384	0
Legacy Bank CD, matures 1/30/2018	171,581	0
Prepaid Payroll Taxes	5,296	7,176
Total current assets	769,663	640,433
Fixed assets		
Computers & Peripherals	1,166	1,166
Leasehold Improvements	116,261	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
Accumulated Depreciation	(489,799)	(432,778)
Total fixed assets	473,510	503,991
Other assets		
Land Lease, 99 years effective 6/9/07	50,000	50,000
Accumulated Amortization	(10,394)	(9,889)
Security Deposit - Utilities	765	765
Legacy Bank CD, matures 1/30/2018	0	169,774
Total other assets	40,371	210,650
Total assets	\$ 1,283,544	\$ 1,355,074

See accountant's compilation report

The Soup Kitchen, Inc.
Statements of Assets, Liabilities, and Net Assets - Cash Basis
December 31, 2017 and 2016

	2017	2016
Liabilities and Equity		
Current liabilities		
Total current liabilities	0	0
Equity		
Unrestricted	<u>1,283,544</u>	<u>1,355,074</u>
Total equity	<u>1,283,544</u>	<u>1,355,074</u>
Total liabilities and equity	<u>\$ <u>1,283,544</u></u>	<u>\$ <u>1,355,074</u></u>

See accountant's compilation report

The Soup Kitchen, Inc.

Statements of Revenues, Expenses and Changes in Net Assets - Cash Basis For the three months ended December 31, 2017 and 2016

	2017	2016
Revenues		
Donations, Unrestricted	\$ 321,889	\$ 319,020
Interest and Dividends	<u>968</u>	<u>1,126</u>
Total revenues	322,857	320,146
Expenses		
Program services expenses	159,404	122,750
General and administrative	15,190	21,391
Total expenses	<u>174,594</u>	<u>144,141</u>
Change in net assets	<u>148,263</u>	<u>176,005</u>
Net Assets, beginning	<u>1,135,281</u>	<u>1,179,069</u>
Net Assets, ending	<u>\$ 1,283,544</u>	<u>\$ 1,355,074</u>

See accountant's compilation report

The Soup Kitchen, Inc.
Statements of Functional Expenses - Cash Basis
For the three months ended December 31, 2017 and 2016

	2017	% to Rev	2016	Variance
Program services expenses				
Food Purchases	8,425	2.61 %	10,414	(1,989)
Auto & Truck Expense	4,386	1.36	4,401	(15)
Assistance to Individuals	200	0.06	0	200
Casual Labor	250	0.08	200	50
Cleaning & Exterminating	217	0.07	93	124
Depreciation	13,182	4.08	14,174	(992)
Kitchen and Other Supplies	733	0.23	903	(170)
Land Lease Expense	126	0.04	126	0
Payroll Taxes	3,936	1.22	4,236	(300)
Employee Benefits	2,816	0.87	1,370	1,446
Meals on Wheels Project	51,098	15.83	40,678	10,420
Repairs & Maintenance	6,033	1.87	4,947	1,086
Security Expense	171	0.05	184	(13)
Taking Care of Our Babies Project	37,748	11.69	27,191	10,557
Taxes - Real Estate	3,815	1.18	3,772	43
Telephone	4,817	1.49	1,767	3,050
Utilities - Electric	3,010	0.93	3,114	(104)
Utilities - Waste Removal	1,942	0.60	1,977	(35)
Utilities - Water	569	0.18	526	43
Utilities - Gas	1,636	0.51	1,530	106
Wages	86,555	26.81	55,865	30,690
Meals on Wheels Allocation	(42,108)	(13.04)	(32,460)	(9,648)
Taking Care of Our Babies Allocation	(30,153)	(9.34)	(22,257)	(7,896)
Total program services expenses	<u>159,404</u>	<u>49.37 %</u>	<u>122,751</u>	<u>36,653</u>
General and administrative				
Accounting and Bookkeeping	2,940	0.91 %	1,650	1,290
Audit Expense	3,302	1.02	1,617	1,685
Advertising and Promotion	0	0	1,490	(1,490)
Bank Charges	61	0.02	90	(29)
Conferences and Meetings	1,484	0.46	0	1,484
Consulting/Fund Raising Fees	1,650	0.51	1,650	0
Dues & Subscriptions	50	0.02	0	50
Insurance	12,776	3.96	12,261	515
Licenses & Fees	190	0.06	190	0
Office Expense & Supplies	1,823	0.56	327	1,496
Postage & Express Services	1,744	0.54	462	1,282
Special Event Expense	0	0	11,522	(11,522)
Volunteer Appreciation Luncheon	4,360	1.35	0	4,360
Meals on Wheels Allocation	(7,595)	(2.35)	(4,934)	(2,661)
Taking Care of Our Babies Allot'n	(7,595)	(2.35)	(4,934)	(2,661)
Total general and administrative expenses	<u>15,190</u>	<u>4.70 %</u>	<u>21,391</u>	<u>(6,201)</u>
Total expenses	<u>174,594</u>	<u>54.07 %</u>	<u>144,142</u>	<u>30,452</u>

See accountant's compilation report

The Soup Kitchen, Inc.

Statements of Revenues and Expenses - Cash Basis

For the Three Months Ended December 31, 2017 and the Year Ended September 30, 2017

	Current Year					Prior Year				
	Q-1	Q-2	Q-3	Q-4	TOTAL YEAR	Q-1	Q-2	Q-3	Q-4	TOTAL YEAR
Revenues										
Donations, Unrestricted	\$321,889	\$0	\$0	\$0	\$321,889	\$319,020	\$47,841	\$99,604	\$31,891	\$498,356
Interest and Dividends	968	0	0	0	968	1,126	1,107	1,232	1,075	4,540
Total revenues	322,857	0	0	0	322,857	320,146	48,948	100,836	32,966	502,896
Program services expenses										
Food Purchases	8,425	0	0	0	8,425	10,414	3,185	12,437	8,903	34,939
Auto & Truck Expense	4,386	0	0	0	4,386	4,401	5,216	3,643	5,208	18,468
Assistance to Individuals	200	0	0	0	200	0	0	1,559	1,203	2,762
Casual Labor	250	0	0	0	250	200	920	1,200	900	3,220
Cleaning & Exterminating	217	0	0	0	217	93	62	93	217	465
Depreciation	13,182	0	0	0	13,182	14,174	14,169	14,171	15,499	58,013
Kitchen and Other Supplies	733	0	0	0	733	903	947	2,252	5,483	9,585
Land Lease Expense	126	0	0	0	126	126	127	126	126	505
Payroll Taxes	3,936	0	0	0	3,936	4,236	6,584	4,823	4,746	20,389
Employee Benefits	2,816	0	0	0	2,816	1,370	3,551	2,816	1,877	9,614
Meals on Wheels Project	51,098	0	0	0	51,098	40,678	44,912	37,741	39,422	162,753
Repairs & Maintenance	6,033	0	0	0	6,033	4,947	4,284	2,973	1,647	13,851
Security Expense	171	0	0	0	171	184	185	185	195	749
Charitable Donations	0	0	0	0	0	0	0	150	0	150
Taking Care of Our Babies Project	37,748	0	0	0	37,748	27,191	30,321	25,588	25,983	109,083
Taxes - Real Estate	3,815	0	0	0	3,815	3,772	0	3,380	0	7,152
Telephone	4,817	0	0	0	4,817	1,767	1,686	1,754	1,801	7,008
Utilities - Electric	3,010	0	0	0	3,010	3,114	3,186	3,425	3,576	13,301
Utilities - Waste Removal	1,942	0	0	0	1,942	1,977	1,770	1,748	1,742	7,237
Utilities - Water	569	0	0	0	569	526	1,249	1,079	353	3,207
Utilities - Gas	1,636	0	0	0	1,636	1,530	1,670	1,671	1,657	6,528
Wages	86,555	0	0	0	86,555	55,865	81,569	58,828	59,203	255,465
Meals on Wheels Allocation	(42,108)	0	0	0	(42,108)	(32,460)	(38,428)	(33,818)	(33,369)	(138,075)
Taking Care of Our Babies Allocation	(30,153)	0	0	0	(30,153)	(22,258)	(27,687)	(23,842)	(22,882)	(96,669)
Total program services expenses	159,404	0	0	0	159,404	122,750	139,478	123,982	123,490	509,700
General and administrative expenses										
Accounting and Bookkeeping	2,940	0	0	0	2,940	1,650	3,980	2,340	1,890	9,860
Audit Expense	3,302	0	0	0	3,302	1,617	3,302	0	0	4,919
Advertising and Promotion	0	0	0	0	0	1,490	0	0	250	1,740
Bank Charges	61	0	0	0	61	90	12	0	0	102
Conferences and Meetings	1,484	0	0	0	1,484	0	0	0	4,265	4,265
Consulting/Fund Raising Fees	1,650	0	0	0	1,650	1,650	1,650	1,650	1,650	6,600
Dues & Subscriptions	50	0	0	0	50	0	0	0	525	525
Insurance	12,776	0	0	0	12,776	12,261	(1,383)	1,515	1,368	13,761
Legal Fees	0	0	0	0	12,776	0	0	0	0	0
Licenses & Fees	190	0	0	0	190	190	530	0	190	910
Office Expense & Supplies	1,823	0	0	0	1,823	327	2,313	931	986	4,557
Postage & Express Services	1,744	0	0	0	1,744	462	141	49	148	800
Printing & Copying	0	0	0	0	0	0	0	0	36	36
Special Event Expense	0	0	0	0	0	11,522	393	150	0	12,065
Volunteer Appreciation Luncheon	4,360	0	0	0	4,360	0	0	500	1,084	1,584
Meals on Wheels Allocation	(7,595)	0	0	0	(7,595)	(4,934)	(2,636)	(1,746)	(3,098)	(12,414)
Taking Care of Our Babies Allot'n	(7,595)	0	0	0	(7,595)	(4,934)	(2,635)	(1,747)	(3,097)	(12,413)
Total g & a expenses	15,190	0	0	0	15,190	21,391	5,667	3,642	6,197	36,897
Total expenses	174,594	0	0	0	174,594	144,141	145,145	127,624	129,687	546,597
Change in net assets	148,263	0	0	0	148,263	176,005	(96,197)	(26,788)	(96,721)	(43,701)