

**TRENTON AREA SOUP KITCHEN, INC.  
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

TRENTON AREA SOUP KITCHEN, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 12

**LEWIS W. PARKER, III**  
CERTIFIED PUBLIC ACCOUNTANT

---

P.O. BOX 6510, 9L PRINCESS ROAD  
LAWRENCEVILLE, NJ 08648  
TEL.: (609) 896-2177  
FAX: (609) 844-0133  
EMAIL: [lparkercpa@erols.com](mailto:lparkercpa@erols.com)

To the Board of Trustees  
Trenton Area Soup Kitchen, Inc.  
P.O. Box 872  
Trenton, NJ 08605

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of Trenton Area Soup Kitchen, (T.A.S.K.) Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016 and 2015 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility 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; 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 misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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 considers 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 Trenton Area Soup Kitchen, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Lawrenceville, New Jersey  
October 11, 2016

## STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and June 30, 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 1,948,668	\$ 1,852,687
Accrued interest receivable	21,919	22,737
Employee loan	-	1,200
Total current assets	<u>1,970,587</u>	<u>1,876,624</u>
Investments:		
Certificates of deposit	77,214	77,143
Princeton Area Community Foundation	101,816	102,450
Board designated	3,007,033	2,862,248
Endowment	613,364	556,894
	<u>3,799,427</u>	<u>3,598,735</u>
Property, building and equipment, net	<u>1,542,601</u>	<u>1,558,841</u>
Total assets	<u>\$ 7,312,615</u>	<u>\$ 7,034,200</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities:		
Accounts payable	\$ 20,324	\$ 33,822
Accrued expenses	78,216	38,871
Total current liabilities	<u>98,540</u>	<u>72,693</u>
Net assets:		
Unrestricted net assets:		
Undesignated	3,588,863	3,507,659
Board designated	3,007,033	2,862,248
	<u>6,595,896</u>	<u>6,369,907</u>
Temporarily restricted net assets	64,090	37,511
Permanently restricted net assets	554,089	554,089
Total net assets	<u>7,214,075</u>	<u>6,961,507</u>
Total liabilities and net assets	<u>\$ 7,312,615</u>	<u>\$ 7,034,200</u>

The accompanying notes are an integral part of these financial statements.

TRENTON AREA SOUP KITCHEN, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2016 and 2015

	2016		2015					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:								
Contributions	\$ 2,596,512	-	\$ -	\$ 2,596,512	\$ 2,931,548	\$ -	\$ -	\$ 2,931,548
Non cash contributions of food and supplies	590,889	-	-	590,889	487,795	-	-	487,795
Government grants	15,000	-	-	15,000	30,000	-	-	30,000
County of Mercer	57,876	-	-	57,876	60,438	-	-	60,438
City of Trenton	18,075	-	-	18,075	10,000	-	-	10,000
College of New Jersey	7,098	-	-	7,098	6,211	-	-	6,211
Total revenue and support	3,285,450	-	-	3,285,450	3,525,992	-	-	3,525,992
Expenses:								
Program services	2,824,503	-	-	2,824,503	2,561,743	-	-	2,561,743
Management and general	238,673	-	-	238,673	226,930	-	-	226,930
Fundraising	174,458	-	-	174,458	169,610	-	-	169,610
Total expenses	3,237,634	-	-	3,237,634	2,958,283	-	-	2,958,283
Change in Net Assets before investment return	47,816	-	-	47,816	567,709	-	-	567,709
Other Revenue:								
Investment return	178,173	26,579	-	204,752	62,382	20,705	-	83,087
Change in Net Assets	225,989	26,579	-	252,568	630,091	20,705	-	650,796
Net Assets								
Beginning of Year	6,369,907	37,511	554,089	6,961,507	5,739,816	16,806	554,089	6,310,711
End of Year	\$ 6,595,896	\$ 64,090	\$ 554,089	\$ 7,214,075	\$ 6,369,907	\$ 37,511	\$ 554,089	\$ 6,961,507

The accompanying notes are an integral part of these financial statements.

TRENTON AREA SOUP KITCHEN, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2016 and 2015

	2016				2015			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
<b>Personnel:</b>								
Salaries	\$ 970,411	\$ 145,558	\$ -	\$ 1,115,969	\$ 846,387	\$ 126,955	\$ -	\$ 973,342
Caseworker (consultant)	37,628	-	-	37,628	34,358	-	-	34,358
Temporary help	3,034	-	-	3,034	6,498	-	-	6,498
Payroll taxes	91,443	13,716	-	105,159	85,219	12,782	-	98,001
Employees benefits and insurance	299,855	44,977	-	344,832	277,505	41,625	-	319,130
Total personnel	1,402,371	204,251	-	1,606,622	1,249,967	181,362	-	1,431,329
<b>Other expenses:</b>								
Adult education program	27,688	-	-	27,688	26,802	-	-	26,802
Advertising-employment	3,592	-	-	3,592	160	-	-	160
Arts and ideas/kids time	21,111	-	-	21,111	19,112	-	-	19,112
Auto expenses	10,776	-	-	10,776	14,504	-	-	14,504
Bank charges/other fees	-	1,454	-	1,454	-	1,760	-	1,760
Building/equipment maintenance	50,427	-	-	50,427	37,482	-	-	37,482
Community/volunteer relations	43,405	-	-	43,405	32,134	-	-	32,134
Contingencies	3,118	-	-	3,118	2,338	-	-	2,338
Day center	41,670	-	-	41,670	41,670	-	-	41,670
Depreciation	90,839	-	-	90,839	92,391	-	-	92,391
Food	731,130	-	-	731,130	636,065	-	-	636,065
Fundraising campaign	-	-	89,216	89,216	-	-	104,807	104,807
Fundraising consultant	-	-	77,638	77,638	-	-	61,672	61,672
Hygiene supplies	43,367	-	-	43,367	73,440	-	-	73,440
Insurance	17,096	2,565	-	19,661	14,326	2,149	-	16,475
Kitchen supplies	61,791	-	-	61,791	62,805	-	-	62,805
Miscellaneous	-	1,539	-	1,539	-	2,159	-	2,159
Office	-	9,580	-	9,580	-	4,460	-	4,460
Photo ops	52	-	-	52	104	-	-	104
Postage	1,470	587	6,171	8,228	644	114	2,321	3,079
Professional fees	-	6,250	-	6,250	-	23,241	-	23,241
Quality of Life	7,024	-	-	7,024	7,906	-	-	7,906
Security	68,000	-	-	68,000	64,960	-	-	64,960
Send hunger packing program	77,486	-	-	77,486	63,502	-	-	63,502
School / other misc. supplies for patrons	47,457	-	-	47,457	43,271	-	-	43,271
Staff training	4,149	-	-	4,149	7,896	-	-	7,896
Telephone	9,712	3,329	1,433	14,474	5,367	1,948	810	8,125
Utilities/trash collection	60,772	9,118	-	69,890	64,897	9,737	-	74,634
Total functional expenses	\$ 2,824,503	\$ 238,673	\$ 174,458	\$ 3,237,634	\$ 2,561,743	\$ 226,930	\$ 169,610	\$ 2,958,283

The accompanying notes are an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	<u>\$ 252,568</u>	<u>\$ 650,796</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	90,839	92,391
Unrealized and realized (gain) loss on investments	(104,926)	17,972
Changes in operating assets and liabilities:		
Pledges receivable	-	14,412
Accrued interest receivable	818	(3,161)
Accounts payable and accrued expenses	<u>25,847</u>	<u>(76,834)</u>
Total adjustments	<u>12,578</u>	<u>44,780</u>
Net cash provided by operating activities	<u>265,146</u>	<u>695,576</u>
Cash flows from investing activities:		
Employee loans	1,200	(1,200)
Purchase of property and equipment	(74,599)	(9,730)
Purchase of investments - Princeton Area Community Foundation	634	(1,451)
Purchase of investments	(96,329)	(489,211)
Purchase of certificates of deposit	(77,214)	(77,143)
Maturities of certificates of deposit	<u>77,143</u>	<u>77,078</u>
Net cash provided by (used in) investing activities	<u>(169,165)</u>	<u>(501,657)</u>
Increase in cash and cash equivalents	95,981	193,919
Cash and cash equivalents, beginning of year	<u>1,852,687</u>	<u>1,658,768</u>
Cash and cash equivalents, end of year	<u>\$ 1,948,668</u>	<u>\$ 1,852,687</u>
Non cash contributions received:		
Stock	<u>\$ 30,154</u>	<u>\$ 48,812</u>
Food and supplies	<u>\$ 590,889</u>	<u>\$ 487,795</u>

The accompanying notes are an integral part of these financial statements.

## TRENTON AREA SOUP KITCHEN, INC.

## NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization

Trenton Area Soup Kitchen, Inc. is an independent, non-profit organization incorporated in 1982 under the laws of the State of New Jersey.

The Trenton Area Soup Kitchen, Inc. is dedicated to respond to the needs of hungry people in the Trenton community by:

- (1) Providing meals to all those who are hungry as a primary mission;
- (2) Providing services to enable them to achieve self-sufficiency; and
- (3) Informing the wider community of the needs of the hungry and advocating for resources to meet those needs.

The support for the organization is contributions from individuals, corporations, foundations and other similar entities. Grants may be received from entities such as FEMA.

2. Summary of Significant Accounting Policies

The financial statements of Trenton Area Soup Kitchen, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Resources are classified for accounting and reporting purposes, based on the existence or absence of donor-imposed restrictions, into three net assets categories – unrestricted, temporarily restricted, and permanently restricted. For the years ended June 30, 2016 and 2015 Trenton Area Soup Kitchen, Inc. had accounting transactions in all three of the net asset categories, as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. This includes board designated assets.
- Temporarily restricted net assets – Net assets are subject to donor-imposed restrictions that will be met by the passing of time or by the action of the organization.
- Permanently restricted net assets – Net assets subject to donor-imposed restrictions that will not expire by the passage of time nor be fulfilled or otherwise resolved by the actions of the Trenton Area Soup Kitchen, New Jersey.

Revenue and Support Recognition

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants receivable represent amounts committed by donors that have not been received by the Organization. Grants with donor-imposed restrictions that limit their use to long-term purposes are classified as noncurrent assets.



## TRENTON AREA SOUP KITCHEN, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)2. Summary of Significant Accounting Policies (Continued)Revenue and Support Recognition (Continued)

The Organization accounts for contract and grant revenues, which are exchange transactions, in the statement of activities to the extent that expenses have been incurred for the purposes specified by the grantor during the period. In applying this concept the legal and contractual requirements of each individual program are used as guidance. All monies not expended in accordance with the grant or contract are recorded as a liability to the grantor as the Organization does not maintain any equity in the grant or contract. Additionally, funds received in advance of their proper usage which are exchange transactions are accounted for as deferred revenue in the statements of financial position.

Contributed Services

During the years ended June 30, 2016 and 2015, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, approximately 4,000 individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

It is the Organization's policy to capitalize property and equipment with a cost in excess of \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value 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 and gains are recognized.

## TRENTON AREA SOUP KITCHEN, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)2. Summary of Significant Accounting Policies (Continued)Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. This includes money market accounts with brokerage firms.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. These amounts are insured for \$250,000 in each institution by Federal Deposit Insurance Corporation. As of June 30, 2016 balances with one bank exceeded the insurance limit by approximately \$470,496. The Board regularly monitors all bank accounts and does not believe there are significant risks associated with the balances exceeding the insured limits.

Reclassification

Certain items relating to the year ended June 30, 2015 have been reclassified to conform with the current year's presentation.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short maturity of these financial instruments.

Accounting for Uncertainty in Income Taxes

The Organization adopted the provisions of FASB ASC-740-10 relating to uncertainty in income taxes. The implementation included evaluating the tax positions taken on all income tax returns that remain open to examination by the respective taxing authorities. The Organization does not believe that there are any uncertain tax positions on those returns that meet the requirements of FASB ASC740-10 and therefore should be reflected in the financial statements. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

The Organization is subject to routine audits by taxing authorities. There are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examination for years prior to June 30, 2013.

3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Interest bearing accounts :		
Operating	\$ 719,904	\$ 724,985
Money market account	1,078,282	975,763
Non interest bearing accounts:		
Non-profit checking account	149,890	149,890
Director's account	592	2,049
	<u>\$ 1,948,668</u>	<u>\$ 1,852,687</u>

## TRENTON AREA SOUP KITCHEN, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)4. Investments

Investments are stated at fair value and are summarized as follows at June 30:

	2016 <u>Fair Value</u>	2015 <u>Fair Value</u>
PNC Certificates of deposit	\$ 77,214	\$ 77,143
PACF - unrestricted	101,816	102,450
Board Designated Investments:		
Cash	285,924	8,242
Certificates of deposit	271,219	422,283
Corporate bonds	2,449,890	2,431,724
Permanently Restricted-Endowment:		
Cash	58,100	4,087
Certificates of deposit	78,675	74,255
Corporate bonds	476,589	478,551
Total investments	<u>\$3,799,427</u>	<u>\$ 3,598,735</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2016 and 2015.

	2016		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Dividend and Interest income	\$ 89,192	\$ 10,634	\$ 99,826
Net realized and unrealized gains	88,981	15,945	104,926
Total investment return	<u>\$ 178,173</u>	<u>\$ 26,579</u>	<u>\$ 204,752</u>
	2015		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Dividend and Interest income	\$ 91,215	\$ 9,844	\$ 101,059
Net realized and unrealized loss	(28,833)	10,861	(17,972)
Total investment return	<u>\$ 62,382</u>	<u>\$ 20,705</u>	<u>\$ 83,087</u>

5. Endowment Funds

The Organization's endowment consists of certificates of deposit, money market funds and corporate bonds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

## TRENTON AREA SOUP KITCHEN, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)5. Endowment Funds (Continued)

The Organization has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds, explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Organization in a manner consistent with the standard of prudence prescribed by state law. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

6. Fair Value Measurements

Investments are required to be categorized based on fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

A portion of the Organization's investments are held in a pooled fund managed by the Princeton Area Community Foundation (PACF). The funds in PACF are valued using Levels 1 and 3, inputs at 47% and 53% for June 30, 2016 and 54% and 46% for June 30, 2015, respectively. The preceding calculations are based on the fair value measurement data that is reflected in the audited financial statements of the Princeton Area Community Foundation at December 31, 2015 and 2014, because PACF does not publish values at June 30, 2016.

## TRENTON AREA SOUP KITCHEN, INC.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Fair Value Measurements (Continued)

The investments are categorized as follows:

Fair Value Measurements:

	Total	Quoted Prices in Active Markets Level 1	Observable Measurement Criteria Level 2	Unobservable Measurement Criteria Level 3
<u>June 30, 2016</u>				
PNC Certificates of deposit	\$ 77,214	\$ -	\$ 77,214	\$ -
PACF - unrestricted	101,816	47,854	-	53,962
Board Designated Investments:				
Cash	285,924	285,924	-	-
Certificates of deposit	271,219	-	271,219	-
Corporate bonds	2,449,890	2,449,890	-	-
Permanently Restricted-Endowment:				
Cash	58,100	58,100	-	-
Certificates of deposit	78,675	-	78,675	-
Corporate bonds	476,589	476,589	-	-
	<u>\$ 3,799,427</u>	<u>\$ 3,318,357</u>	<u>\$ 427,108</u>	<u>\$ 53,962</u>
<u>June 30, 2015</u>				
PNC Certificates of deposit	\$ 77,143	\$ -	\$ 77,143	\$ -
PACF - unrestricted	102,450	48,152	-	54,298
Board Designated Investments:				
Cash	8,242	8,242	-	-
Certificates of deposit	422,283	-	422,283	-
Corporate bonds	2,431,724	2,431,724	-	-
Permanently Restricted-Endowment:				
Cash	4,087	4,087	-	-
Certificates of deposit	74,255	-	74,255	-
Corporate bonds	478,551	478,551	-	-
	<u>\$ 3,598,735</u>	<u>\$ 2,970,756</u>	<u>\$ 573,681</u>	<u>\$ 54,298</u>

7. Property, Building and Equipment, Net

Property, building and equipment consist of the following:

	Useful Lives	2016	2015
Building and renovations	40 years	\$ 2,037,316	\$ 2,010,480
Leasehold improvements	5 years	11,807	11,807
Equipment	5 to 12 years	567,138	519,375
Vehicles	5 years	21,269	21,269
		2,637,530	2,562,931
Accumulated depreciation		(1,094,929)	(1,004,090)
		<u>\$ 1,542,601</u>	<u>\$ 1,558,841</u>

Depreciation for the years ended June 30, 2016 and 2015 was \$90,839 and \$92,391, respectively.

## TRENTON AREA SOUP KITCHEN, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)8. Non Cash Contributions of Food and Supplies

The organization receives significant donations of food and supplies during the year in addition to food that is purchased. The donated food and supplies has been recorded as both a contribution and a program expense at a value equal to the estimated cost to purchase. These amounts were as follows:

	<u>2016</u>	<u>2015</u>
Food	\$ 501,515	\$ 373,336
Supplies	<u>89,374</u>	<u>114,459</u>
	<u>\$ 590,889</u>	<u>\$ 487,795</u>

9. Retirement Arrangement for Staff Employees

As of July 1, 2001, Trenton Area Soup Kitchen, Inc. offers staff employees the opportunity for participation in a 401 (k) Profit Sharing Plan. Employees can contribute up to 15% of compensation to a maximum of \$18,000 for both years June 30, 2016 and June 30, 2015 (an additional \$6,000 may be contributed if age 50 or older for a total of \$24,000 for both years June 30, 2016 and June 30, 2015. In addition, the Organization will make an annual employer base contribution of 5% of all eligible employees' annual compensation. Employees' are eligible for employer contribution after completing the 1st year of employment. The expense to the organization under this arrangement was \$47,635 and \$47,402 for the years ended June 30, 2016 and 2015, respectively.

10. Commitments

In November of 1987, the Corporation entered into a lease agreement with the City of Trenton to rent a tract of land at an annual rental of \$1 per year for 40 (forty) years. The organizations building is on this land.

During 2016, the board approved a one story building expansion, so far the only costs incurred were the architectural, engineering and project management fees.

11. No Subsequent Events

The Organization's management evaluated the period from June 30, 2016 to October 11, 2016 for items requiring recognition or disclosure in the financial statements. There were no events occurring during the evaluation period that require disclosure, and there were no events that require recognition in the financial statements.