



# **RESCUING LEFTOVER CUISINE, INC.**

## **Audited Financial Statements**

**December 31, 2015**

## **Independent Auditors' Report**

To the Board of Directors of  
Rescuing Leftover Cuisine, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Rescuing Leftover Cuisine, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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.

### ***Auditors' Responsibility***

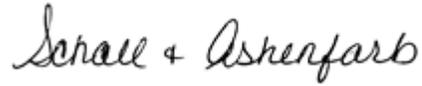
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 organization'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 organization's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rescuing Leftover Cuisine, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schall & Ashenfarb". The signature is contained within a thin black rectangular border.

Schall & Ashenfarb  
Certified Public Accountants, LLC

September 8, 2016

**RESCUING LEFTOVER CUISINE, INC.  
STATEMENT OF FINANCIAL POSITION  
AT DECEMBER 31, 2015**

**Assets**

Cash and cash equivalents	<u>\$73,437</u>
Total assets	<u><u>\$73,437</u></u>

**Liabilities and Net Assets**

Liabilities:	
Accounts payable and accrued expenses	<u>\$9,319</u>
Total liabilities	<u>9,319</u>
Net assets:	
Unrestricted	<u>64,118</u>
Total net assets	<u>64,118</u>
Total liabilities and net assets	<u><u>\$73,437</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**RESCUING LEFTOVER CUISINE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Unrestricted:	
Public support and revenue:	
Contributions	\$117,528
Donated goods (Note 3)	476,298
In-kind rent (Note 3)	9,000
Special events	6,501
Earned income	2,639
Total public support and revenue	<u>611,966</u>
Expenses:	
Program services	538,462
Management and general	25,260
Total expenses	<u>563,722</u>
Change in net assets	48,244
Net assets - beginning of year	<u>15,874</u>
Net assets - end of year	<u><u>\$64,118</u></u>

*The attached notes and auditors' report are an integral part of these financial statements*

**RESCUING LEFTOVER CUISINE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	Management and General	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Salaries	\$40,750		\$40,750
Payroll taxes	3,115		3,115
Program expenses (including donated goods of \$476,298)	494,597		494,597
Professional fees		\$6,500	6,500
In-kind rent		9,000	9,000
Advertising & marketing		3,858	3,858
Office expenses		2,332	2,332
Insurance		2,160	2,160
Printing		1,410	1,410
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u><u>\$538,462</u></u>	<u><u>\$25,260</u></u>	<u><u>\$563,722</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**RESCUING LEFTOVER CUISINE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash flows from operating activities:	
Change in net assets	\$48,244
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Prepaid expenses and other assets	331
Accounts payable and accrued expenses	<u>6,127</u>
Total adjustments	<u>6,458</u>
Net cash flows provided by operating activities/ net increase in cash and cash equivalents	54,702
Cash and cash equivalents - beginning of year	<u>18,735</u>
Cash and cash equivalents - end of year	<u><u>\$73,437</u></u>
Supplemental information:	
Interest and income taxes paid	<u><u>\$0</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**RESCUING LEFTOVER CUISINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Note 1 - Organization**

Rescuing Leftover Cuisine, Inc. (the "Organization") received its certificate of incorporation in New York on July 3, 2013. The mission is to aid the homeless and hungry living in New York City by providing such individuals with food donated by restaurants, hotels, universities, and other small businesses that would otherwise throw this food away.

In January 2014, the Organization received notification that they are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. After an initial period of five years, the IRS will determine whether the Organization qualifies as a publically supported organization or a private foundation.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The Organization reports information regarding their financial position and activities according to specific classes of net assets. During 2015, the Organization did not have any activity where donors restricted the use of their contributions or other assets for specific programs or time periods; therefore, all activity within the financial statements has been reflected in the unrestricted class of net assets.

b. Contributions

The Organization reports contributions as revenue upon the earlier of receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are recorded in the temporarily restricted class of net assets. All other contributions are recorded in the unrestricted class of net assets. When a restriction expires by satisfying the specific purpose or through the passage of time, temporarily restricted net assets are released from restriction and reclassified as unrestricted net assets. When a restriction has been met in the same period that the contribution has been received, it is recorded as unrestricted.

c. Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash and cash equivalents.

d. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash accounts held with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits.

e. Advertising

Advertising costs are charged to operations when the advertising first takes place.

f. Management Estimates

The preparation of financial statements in accordance with accounting principles generally 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 those estimates.

g. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

h. Donated Goods and Services

Contributions of services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed, are recorded as income and as related expense.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

Donated goods are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 3 for more details.

i. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the period ended December 31, 2013, the Organization's initial filing, and later are subject to examination by applicable taxing authorities.

j. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through September 8, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

**Note 3 - In-Kind Contributions**

The Organization records donated food as unrestricted public support and program expense the time of receipt, which is virtually simultaneous with when it is granted. An independent study has been performed by a large national not-for-profit organization to provide an estimate of the per pound value of food.

During 2015, the Organization recorded donated food used for programs at \$1.66 per pound. In total, more than 285,000 pounds of food were received and distributed which has been valued at \$476,298 on the accompanying financial statements.

In addition, the Organization received donated office space valued at \$9,000 in 2015. This amount has been reflected on the statements of activities and functional expenses.