

CommonWealth Kitchen, Inc. and Affiliate

Consolidated Financial Statements
and
Independent Auditors' Report

December 31, 2022



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
CommonWealth Kitchen, Inc. and Affiliate

Opinion

We have audited the accompanying financial statements of CommonWealth Kitchen, Inc. and its affiliate CWK 196 LLC (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the consolidated changes in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 in 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 Organization'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Daniel Dennis & Company LLP

November 16, 2023

CommonWealth Kitchen, Inc. and Affiliate
Consolidated Statement of Financial Position
December 31, 2022

<i>Assets</i>	
<i>Current Assets</i>	
Cash	\$ 6,196,354
Accounts receivable - net	519,572
Pledges receivable	125,000
Prepaid	341
Total current assets	6,841,267
<i>Fixed Assets</i>	
Land	1,400,000
Building	5,796,430
Furniture, fixtures and equipment	968,497
Leasehold improvements	35,722
Accumulated depreciation and amortization	(685,363)
Net fixed assets	7,515,286
<i>Other Assets</i>	
Pledges receivable	100,000
Deposits	5,500
Other investments	53,824
Total other assets	159,324
Total assets	\$ 14,515,877
<i>Liabilities and Net Assets</i>	
<i>Current Liabilities</i>	
Accounts payable	\$ 513,076
Accrued expenses	142,590
Notes payable	6,486
Total current liabilities	662,152
<i>Other Liabilities</i>	
Security deposits	75,857
Deferred revenue	1,371
Total other liabilities	77,228
<i>Mortgages</i>	
Mortgage payable	7,026,355
Total liabilities	7,765,735
<i>Net Assets</i>	
Without donor restrictions	2,955,770
With donor restrictions	3,794,372
Total net assets	6,750,142
Total liabilities and net assets	\$ 14,515,877

See accompanying notes to financial statements.

CommonWealth Kitchen, Inc. and Affiliate
Consolidated Statement of Activities
For the Year Ended December 31, 2022

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Other Support</i>			
Rental and storage fees	\$ 1,256,368	\$ -	\$ 1,256,368
Grants and contributions	1,523,919	2,355,000	3,878,919
In-kind contributions	229,983	-	229,983
Management fees	39,182	-	39,182
Other fees	157,036	-	157,036
Sales to public	194,664	-	194,664
Special event	426,876	-	426,876
Miscellaneous income	205,633	-	205,633
Net assets released from restrictions	<u>832,811</u>	<u>(832,811)</u>	<u>-</u>
Total revenue and other support	<u>4,866,472</u>	<u>1,522,189</u>	<u>6,388,661</u>
<i>Expenses</i>			
Program services	3,359,060	-	3,359,060
Administration	1,137,342	-	1,137,342
Fundraising	<u>225,357</u>	<u>-</u>	<u>225,357</u>
Total expenses	<u>4,721,759</u>	<u>-</u>	<u>4,721,759</u>
Change in net assets	144,713	1,522,189	1,666,902
Net assets at beginning of year	<u>2,811,057</u>	<u>2,272,183</u>	<u>5,083,240</u>
Net assets at end of year	<u>\$ 2,955,770</u>	<u>\$ 3,794,372</u>	<u>\$ 6,750,142</u>

See accompanying notes to financial statements.

Commonwealth Kitchen, Inc. and Affiliate
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	<i>Program Services</i>	<i>Administration</i>	<i>Fund- Raising</i>	<i>Total</i>
Salaries and wages	\$ 1,012,451	\$ 133,081	\$ 134,589	\$ 1,280,121
Payroll taxes and fringe benefits	36,796	96,858	11,264	144,918
Professional fees	99,556	194,174	68,125	361,855
Rent and common area maintenanc	217,380	11,053	3,445	231,878
Utilities	390,528	8,086	2,520	401,134
Cleaning and trash removal	94,792	-	-	94,792
Depreciation and amortization	112,731	88,923	1,176	202,830
Interest expense	165,135	4,916	1,532	171,583
Supplies	580,747	3,268	-	584,015
Office expense	7,236	95,150	1,408	103,794
Tools and equipment	17,199	294	-	17,493
Telephone and internet	32,093	15,024	298	47,415
Building security	4,930	620	46	5,596
Permits and filing fees	332	19	-	351
Repairs and maintenance	125,371	112,648	-	238,019
Insurance	52,656	1,568	489	54,713
Staff development	5,286	12,259	450	17,995
Bad debt expense	90,000	109,594	-	199,594
In-kind	-	229,983	-	229,983
Miscellaneous	313,841	19,824	15	333,680
	<u>313,841</u>	<u>19,824</u>	<u>15</u>	<u>333,680</u>
Total	<u>\$ 3,359,060</u>	<u>\$ 1,137,342</u>	<u>\$ 225,357</u>	<u>\$ 4,721,759</u>

See accompanying notes to financial statements.

CommonWealth Kitchen, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

<i>Cash Flows From Operating Activities</i>	
Change in net assets	\$ 1,666,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	202,830
Bad debt expense	199,594
Changes in operating assets and liabilities:	
Decrease in accounts receivable	194,032
Decrease in pledges receivable	109,551
Decrease in accounts payable	(54,307)
Increase in security deposits	39,057
Increase in deferred rent	1,371
Decrease in funds held in trust	<u>(107,135)</u>
Net cash provided by operating activities	<u>2,251,895</u>
<i>Cash Flows From Investing Activities</i>	
Purchase of fixed assets	<u>(7,353,014)</u>
Net cash used in investing activities	<u>(7,353,014)</u>
<i>Cash Flows From Financing Activities</i>	
Proceeds from financing	7,050,000
Principle payments on notes payable	<u>(17,159)</u>
Net cash provided by financing activities	<u>7,032,841</u>
Net increase in cash and restricted cash	1,931,722
Cash and restricted cash at beginning of year	<u>4,270,132</u>
Cash and restricted cash at end of year	<u><u>\$ 6,201,854</u></u>
Reconciliation of Cash and Restricted Cash	
Cash	\$ 6,196,354
Deposits	<u>5,500</u>
Total cash and restricted cash	<u><u>\$ 6,201,854</u></u>

See accompanying notes to financial statements.

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements
December 31, 2022

1. Operations

CommonWealth Kitchen, Inc. (“CWK”), formerly Crop Circle Kitchen, Inc., was incorporated in July 2009, and was organized to secure the current and future success of Boston’s only nonprofit food business incubator and shared manufacturing facility. CWK provides rental of shared commercial kitchen space combined with technical assistance for start-up and growing food producers to help build their wholesale and retail food businesses, and to create local jobs.

In 2021, CWK 196 LLC (the LLC) was created for purposes of purchasing the building at 196-198 Quincy Street. The LLC is wholly owned by CWK.

Principles of Consolidation and Reporting Entity

The consolidated financial statements include accounts and transactions from CommonWealth Kitchen, Inc. and CWK 196 LLC (collectively, the Organization). All transactions between the entities are eliminated in the consolidation.

2. Summary of Significant Accounting Policies

Revenue and Expense Recognition

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenue is recognized when earned and expenses are recorded when incurred.

Financial Statement Format

The Organization classifies its net assets, revenues and expenses into two classes of net assets – with donor restrictions and without donor restrictions, based on the existence or absence of donor imposed restrictions on contributions received.

Rental Fees

The Organization’s rental income is from short-term rental fees for kitchen and storage services from culinary entrepreneurs who are members of the Organization’s incubator program. Rental fees are recorded when earned.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

2. *Summary of Significant Accounting Policies – Continued*

Contributions – Continued

Contributions received without donor imposed restrictions, or with donor imposed restrictions that are satisfied in the same year as received, are recorded as revenues within the net assets without donor restrictions class. Contributions received with donor imposed specific purpose or time restrictions that are not satisfied within the same year are recorded as revenue within the net assets with donor restrictions class. When a restriction has been satisfied (payment has been made in accordance with the restriction or the time restriction has expired), the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants

Grant revenue is recognized as services are provided and other conditions have been met. Amounts received prior to satisfying the conditions of the grant or contract are reported as deferred until conditions are met.

Sales to Public

CWK sales to public revenue is generated from gift boxes created by CWK from their vendor's promotional products and sold at public events.

Accounts and Pledges Receivable

An allowance for uncollectible accounts and pledges receivable is provided based upon management's judgement of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fundraising activities. Allowance for uncollectible accounts receivable totaled \$240,000 at December 31, 2022. No allowance has been recorded for pledges receivable, as management has determined these accounts to be fully collectible.

Fixed Assets/Other Assets

Assets that have a useful life of more than one year are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the fixed assets. Leasehold improvements are capitalized at cost and amortized over the life of the lease. The Organization's website is presented on the statement of financial position net of accumulated amortization, totaling \$7,320 at December 31, 2022. Depreciation and amortization expense for the year ending December 31, 2022 totaled \$197,903 and \$4,927, respectively. Amortization expense is estimated to be \$4,927 for the next three years.

Functional Allocation of Expenses

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

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

2. ***Summary of Significant Accounting Policies – Continued***

Estimates and Assumptions

The preparation of financial statements in accordance 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.

Funds Held in Trust

The Organization held funds relating to the Project RestoreUS (PRU) program, which is sponsored and administered by a separate not-for-profit organization. The PRU program delivers high quality grocery boxes to families in need in the metro Boston area and is a part of CWK's CommonTable Initiative. During fiscal year 2022, these funds were paid out in full.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which there was none for the year ended December 31, 2022, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Organization evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are *more-likely-than-not* to be sustained by the applicable Federal and state authority. Tax positions not deemed to meet the *more-likely-than-not* threshold, along with accrued interest and penalties thereon, would be recorded as an expense in the current year financial statements. The Organization has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2022 returns, and believe they are *more-likely-than-not* to be sustained if examined by federal or state tax authorities. The Organization's 2019 through 2021 tax years remain subject to examination by Federal and state tax authorities.

Donated Services

The Organization records in-kind support for professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. For the year ended December 31, 2022, the value of donated services was \$229,983.

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

2. *Summary of Significant Accounting Policies – Continued*

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance in *Topic 840, Leases*. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities on the balance sheet for operating leases.

The Organization adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. The Organization elected to use all available practical expedients provided in the transition guidance. These allowed the Organization to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment. As of January 1, 2022, adoption of Topic 842 did not result in any change to beginning net assets or any material adjustments to accounts related to lessor accounting on the statement of financial position.

3. *Notes Payable*

In February 2022, Massachusetts Development Finance Agency (MDFA) provided financing to the LLC in the form of a construction line of credit of up to \$1,750,000, to be used for the acquisition and renovation of the building at 196-198 and 212 Quincy Street, Dorchester, MA. At December 31, 2022, \$600,000 has been received by the LLC. The loan is secured by the premises. Interest is calculated at a fixed rate of 2.5% and the term of the loan is seven years. Payments of interest only are due for the first twelve months of the loan. Interest expense for the year ended December 31, 2022 was \$12,146.

In February 2022, Massachusetts Development Finance Agency (MDFA) provided financing to the LLC in the form of a subordinate loan up to \$750,000 to be used for the acquisition of the building at 196-198 and 212 Quincy Street, Dorchester, MA. At December 31, 2022, the full amount of \$750,000 had been received by the LLC. The loan is noninterest bearing and the term of the loan is for three years. A portion of the loan, \$250,000 may be forgiven annually on the anniversary of the closing date until fully forgiven, as long as the conditions outlined in loan agreement are met. At December 31, 2022, none of the loan had been forgiven and the outstanding balance was \$750,000.

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

3. *Notes Payable – Continued*

In September 2021, the LLC assumed the Section 108 loan previously held by DB Pearl Owner LLC. The original loan amount was \$3,200,000 from the City of Boston, through the Department of Neighborhood Development (DND). Interest only payments are required through July 2023. The interest rate of the loan is 5.5% and interest expense for the year ended December 31, 2022 was \$107,333. In February 2022, the loan agreement was amended, however, there were no changes to the terms of the agreement. The loan matures in August 2033. The loan is secured by a perfected second mortgage, security agreement, assignment of leases, rents and fixture financing statement on the premises. At December 31, 2022, the outstanding balance on the loan is \$3,182,841.

In September 2021, the LLC received funding of \$2,500,000 in the form of a Choice Neighborhood Program loan (Choice Loan) from the City of Boston, through the Department of Neighborhood Development. Interest rate is 2.5% compounded annually and the term of the loan is seven years. Interest expense for the year ended December 31, 2022 is \$52,104. The loan is secured by a perfected third mortgage, security agreement, assignment of leases, rents and fixture financing statement on the premises. At December 31, 2022, the outstanding balance on the loan is \$2,500,000.

The following are maturities of notes payable for each of the next five years and thereafter:

<i>Year</i>	<i>Amount</i>
2023	\$ 6,486
2024	25,148
2025	65,752
2026	69,513
2027	80,203
Thereafter	<u>6,035,739</u>
Total	<u><u>\$ 6,282,841</u></u>

The schedule above does not include the \$750,000 MDFA loan as certain amounts will be forgiven on an annual basis in accordance with the loan agreement.

4. *Rental Income*

Subleases

The Organization leases space to various vendors who signed operating leases with terms that range from three to seven years, with the options to extend on similar terms and conditions. The tenants are also responsible for their pro-rate share of the common area maintenance expenses as defined in their lease agreements. Total commercial rental income was \$447,912.

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

4. Commitments – Continued

Minimum future rentals to be received, exclusive of common area maintenance charges, for each of the next five years are as follows:

<i>Year</i>	<i>Amount</i>
2023	\$ 190,404
2024	\$ 176,345
2025	\$ 181,636
2026	\$ 187,085
2027	\$ 109,242

5. Conditional Promise to Give

During 2017, CWK received a conditional promise of \$500,000, due in \$50,000 annual increments over ten years, of which \$50,000 was received in 2022. The future payments are contingent upon the discretion of the granting organization. Since the future payments represent conditional promises to give, they are not recorded as contribution revenue until donor conditions are met.

6. Credit Risk

The Organization maintains its cash in bank deposit accounts, which at times, may exceed Federal insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash deposits.

7. Liquidity and Availability

The following reflects the Organization’s financial assets as of December 31, 2022, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions:

Financial assets at year end:	
Cash	\$ 6,196,354
Accounts receivable - net	<u>519,572</u>
Total financial assets	6,715,926
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(3,794,372)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 2,921,554</u></u>

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

8. *Net Assets with Donor Restrictions*

Net assets with donor restrictions at December 31, 2022 consisted of both pledges receivable and contributions received that have not yet been expended in accordance with donor restrictions.

Net assets with donor restrictions at December 31, 2022 are available for the following uses:

Purpose restrictions:	
Strategic planning	\$ 225,000
Capital expenditures	3,000,000
Time restrictions:	
Operations	344,372
Pledges receivable for operations	<u>225,000</u>
Total	<u><u>\$3,794,372</u></u>

Net assets released from net assets with donor restrictions during fiscal year 2022 comprised of:

Purpose restrictions:	
Capital expenditures	\$ 54,683
CommonTable	25,000
Meal delivery	115,000
Administrative and overhead costs	413,128
Time restrictions:	
Operations	<u>225,000</u>
Total	<u><u>\$ 832,811</u></u>

9. *Pledges Receivable*

Unconditional promises to give are recorded as receivables and revenue when received. The Organization distinguishes between contributions received for both net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. Pledges receivable consist of the following at December 31, 2022:

Unconditional promises to be collected in:	
One year or less	\$ 125,000
One to five years	<u>100,000</u>
Total pledges receivable	<u><u>\$ 225,000</u></u>

CommonWealth Kitchen, Inc. and Affiliate
Notes to Consolidated Financial Statements - *Continued*
December 31, 2022

10. Contingencies

Government Contracts

The Organization contracts with governmental agencies and third party payers. The contracts are subject to audit by the respective funding source and could result in the recapture of revenue previously reported by the Organization. Management does not believe that any such disallowance, if found, would be material to the Organization's financial statements. Accordingly, no provision for any liability that may result has been made in the financial statements.

11. Board Designated Net Assets

CWK's Board of Directors established a board-designated reserve fund to be used only after consulting with the board of directors. It is anticipated the reserve will be funded annually based on the current year's net income. The board has designated \$25,000 for this reserve as December 31, 2022.

12. Subsequent Events

The Organization has evaluated subsequent events through November 16, 2023, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2022, that requires recognition or additional disclosure in these financial statements.

Supplementary Information

CommonWealth Kitchen, Inc. and Affiliate
Supplementary Schedule of Financial Position
December 31, 2022

	<i>CommonWealth Kitchen, Inc.</i>	<i>CWK 196 LLC</i>	<i>Eliminations</i>	<i>Total</i>
<i>Assets</i>				
<i>Current Assets</i>				
Cash	\$ 5,952,548	\$ 243,806	\$ -	\$ 6,196,354
Accounts receivable - net	435,091	84,481	-	519,572
Pledges receivable	125,000	-	-	125,000
Due from related party	203,502	-	(203,502)	-
Prepaid	<u>341</u>	<u>-</u>	<u>-</u>	<u>341</u>
Total current assets	<u>6,716,482</u>	<u>328,287</u>	<u>(203,502)</u>	<u>6,841,267</u>
<i>Fixed Assets</i>				
Land	-	1,400,000	-	1,400,000
Building	53,500	5,742,930	-	5,796,430
Furniture, fixtures and equipment	968,497	-	-	968,497
Leasehold improvements	35,722	-	-	35,722
Accumulated depreciation and amortization	<u>(614,201)</u>	<u>(71,162)</u>	<u>-</u>	<u>(685,363)</u>
Net fixed assets	<u>443,518</u>	<u>7,071,768</u>	<u>-</u>	<u>7,515,286</u>
<i>Other Assets</i>				
Pledges receivable	100,000	-	-	100,000
Deposits	5,500	-	-	5,500
Other investments	<u>53,824</u>	<u>-</u>	<u>-</u>	<u>53,824</u>
Total other assets	<u>159,324</u>	<u>-</u>	<u>-</u>	<u>159,324</u>
Total assets	<u>\$ 7,319,324</u>	<u>\$ 7,400,055</u>	<u>\$ (203,502)</u>	<u>\$ 14,515,877</u>
<i>Liabilities and Net Assets</i>				
<i>Current Liabilities</i>				
Accounts payable	\$ 449,089	\$ 63,987	\$ -	\$ 513,076
Accrued expenses	142,590	-	-	142,590
Due to related party	-	203,502	(203,502)	-
Notes payable	<u>-</u>	<u>6,486</u>	<u>-</u>	<u>6,486</u>
Total current liabilities	<u>591,679</u>	<u>273,975</u>	<u>(203,502)</u>	<u>662,152</u>
<i>Other Liabilities</i>				
Security deposits	43,100	32,757	-	75,857
Deferred revenue	<u>1,371</u>	<u>-</u>	<u>-</u>	<u>1,371</u>
Total other liabilities	<u>44,471</u>	<u>32,757</u>	<u>-</u>	<u>77,228</u>
<i>Mortgages</i>				
Mortgage payable	<u>-</u>	<u>7,026,355</u>	<u>-</u>	<u>7,026,355</u>
Total liabilities	<u>636,150</u>	<u>7,333,087</u>	<u>(203,502)</u>	<u>7,765,735</u>
<i>Net Assets</i>				
Without donor restrictions	2,888,802	66,968	-	2,955,770
With donor restrictions	<u>3,794,372</u>	<u>-</u>	<u>-</u>	<u>3,794,372</u>
Total net assets	<u>6,683,174</u>	<u>66,968</u>	<u>-</u>	<u>6,750,142</u>
Total liabilities and net assets	<u>\$ 7,319,324</u>	<u>\$ 7,400,055</u>	<u>\$ (203,502)</u>	<u>\$ 14,515,877</u>

CommonWealth Kitchen, Inc. and Affiliate
Supplementary Schedule of Statement of Activities
December 31, 2022

	<i>CommonWealth Kitchen, Inc.</i>	<i>CWK 196 LLC</i>	<i>Total</i>
<i>Revenue and Other Support</i>			
Rental and storage fees	\$ 434,447	\$ 821,921	\$ 1,256,368
Grants and contributions	3,878,469	450	3,878,919
In-kind contributions	229,983	-	229,983
Management fees	39,182	-	39,182
Other fees	157,036	-	157,036
Sales to public	194,664	-	194,664
Special event	426,876	-	426,876
Miscellaneous income	201,222	4,411	205,633
	<u>5,561,879</u>	<u>826,782</u>	<u>6,388,661</u>
<i>Expenses</i>			
Salaries and wages	\$ 1,232,178	\$ 47,943	\$ 1,280,121
Payroll taxes and fringe benefits	139,738	5,180	144,918
Professional fees	358,721	3,134	361,855
Rent and common area maintenance	207,331	24,547	231,878
Utilities	142,870	258,264	401,134
Cleaning and trash removal	36,819	57,973	94,792
Depreciation and amortization	131,668	71,162	202,830
Interest expense	-	171,583	171,583
Supplies	584,015	-	584,015
Office expense	99,960	3,834	103,794
Tools and equipment	13,630	3,863	17,493
Telephone and internet	33,346	14,069	47,415
Building security	5,123	473	5,596
Permits and filing fees	351	-	351
Repairs and maintenance	187,839	50,180	238,019
Insurance	54,713	-	54,713
Staff development	17,995	-	17,995
Bad debt expense	199,594	-	199,594
Inkind	229,983	-	229,983
Miscellaneous expense	286,071	47,609	333,680
	<u>3,961,945</u>	<u>759,814</u>	<u>4,721,759</u>
Change in net assets	1,599,934	66,968	1,666,902
Net assets at beginning of year	<u>5,083,240</u>	<u>-</u>	<u>5,083,240</u>
Net assets at end of year	<u>\$ 6,683,174</u>	<u>\$ 66,968</u>	<u>\$ 6,750,142</u>