

WOMEN'S LUNCH PLACE, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

WOMEN'S LUNCH PLACE, INC.
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YEARS ENDED JUNE 30, 2015 AND 2014

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Clarke, Snow & Riley, LLP
Certified Public Accountants
Management Consultants

Independent Auditor's Report

Board of Directors
Women's Lunch Place, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of Women's Lunch Place, Inc. (a nonprofit organization), which comprise the balance sheets at June 30, 2015 and 2014, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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, 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 Women's Lunch Place, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Clarke Snow & Riley, LLP
Clarke, Snow & Riley, LLP

August 14, 2015

WOMEN'S LUNCH PLACE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS	2015	2014
Current assets:		
Cash and cash equivalents	\$ 189,906	\$ 387,715
Accounts and grants receivable	1,175	846
Prepaid expenses	45,884	54,545
Pledges receivable, net	-	3,500
30th anniversary pledges receivable, net	<u>-</u>	<u>6,000</u>
Total current assets	236,965	452,606
Investments	1,190,145	838,507
Property and equipment, at cost, net	<u>2,528,234</u>	<u>2,642,096</u>
	<u>\$ 3,955,344</u>	<u>\$ 3,933,209</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 20,735	\$ 48,130
Accrued expenses	29,074	25,429
Accrued payroll and vacation	<u>97,374</u>	<u>63,725</u>
Total current liabilities	147,183	137,284
 Commitments and Contingencies		
Net assets		
Unrestricted	3,778,161	3,766,425
Temporarily restricted	<u>30,000</u>	<u>29,500</u>
Total net assets	<u>3,808,161</u>	<u>3,795,925</u>
	<u>\$ 3,955,344</u>	<u>\$ 3,933,209</u>

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

Women's Lunch Place, Inc.
Statement of Activities
Year ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Signature annual events	\$ 878,265	\$ -	\$ 878,265
Individual giving	752,598	-	752,598
Corporations and foundations	445,901	338,070	783,971
Other income	162,782		162,782
Government grant	1,000		1,000
In-kind donations	928,499	-	928,499
Realized (loss) on investments	(403)	-	(403)
Unrealized gain on investments	393	-	393
Net assets released from restrictions	<u>337,570</u>	<u>(337,570)</u>	<u>-</u>
Total support and revenue	3,506,605	500	3,507,105
Expenses			
Program services	2,950,793	-	2,950,793
Fund-raising	404,682	-	404,682
Administration and general	<u>139,394</u>	<u>-</u>	<u>139,394</u>
Total expenses	<u>3,494,869</u>	<u>-</u>	<u>3,494,869</u>
Increase in net assets	11,736	500	12,236
Net assets, beginning of year	<u>3,766,425</u>	<u>29,500</u>	<u>3,795,925</u>
Net assets, end of year	<u>\$ 3,778,161</u>	<u>\$ 30,000</u>	<u>\$ 3,808,161</u>

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

Women's Lunch Place, Inc.
Statement of Activities
Year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Signature annual events	\$ 899,356	\$ -	\$ 899,356
Individual giving	715,419		715,419
Corporations and foundations	406,328	207,400	613,728
Other income	146,806		146,806
Government grant	1,000		1,000
In-kind donations	1,040,373	-	1,040,373
Realized gain on investments	887	-	887
Unrealized gain on investments	1,603	-	1,603
Net assets released from restrictions	<u>272,228</u>	<u>(272,228)</u>	<u>-</u>
Total support and revenue	3,484,000	(64,828)	3,419,172
Expenses			
Program services	2,840,961	-	2,840,961
Fund-raising	390,244	-	390,244
Administration and general	<u>119,944</u>	<u>-</u>	<u>119,944</u>
Total expenses	<u>3,351,149</u>	<u>-</u>	<u>3,351,149</u>
Increase (decrease) in net assets	132,851	(64,828)	68,023
Net assets, beginning of year	<u>3,633,574</u>	<u>94,328</u>	<u>3,727,902</u>
Net assets, end of year	<u>\$ 3,766,425</u>	<u>\$ 29,500</u>	<u>\$ 3,795,925</u>

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

Women's Lunch Place, Inc.
Statement of Functional Expenses
Year ended June 30, 2015

	Program Services	(Development) Fund-Raising	Administration and General	Total
Salaries and payroll related expenses	\$ 1,308,126	\$ 134,665	\$ 61,253	\$ 1,504,044
In-kind professional services	352,597	-	11,066	363,663
In-kind kitchen support	335,430	-	-	335,430
Occupancy	282,362	8,022	4,199	294,583
Food	159,138	-	-	159,138
Fundraising expense	-	144,967	-	144,967
Program supplies, travel, events, volunteers, Jesuits and guest assistance	128,550	320	-	128,870
Consultants	63,232	20,876	32,266	116,374
In-kind food	96,202	-	-	96,202
Office expense	14,466	30,846	21,767	67,079
In-kind clothing	61,450	-	-	61,450
In-kind fundraising auction items	-	58,488	-	58,488
Insurance	12,149	4,049	4,049	20,247
In-kind flowers, gifts, household and personal care items	13,266	-	-	13,266
Staff training	1,845	1,178	983	4,006
Total expenses before depreciation	2,828,813	403,411	135,583	3,367,807
Depreciation	121,980	1,271	3,811	127,062
Total expenses	<u>\$ 2,950,793</u>	<u>\$ 404,682</u>	<u>\$ 139,394</u>	<u>\$ 3,494,869</u>

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

Women's Lunch Place, Inc.
Statement of Functional Expenses
Year ended June 30, 2014

	Program Services	(Development) Fund-Raising	Administration and General	Total
Salaries and payroll related expenses	\$ 1,198,954	\$ 104,953	\$ 58,125	\$ 1,362,032
In-kind professional services	362,378	-	-	362,378
In-kind kitchen support	337,617	-	-	337,617
Occupancy	234,854	3,070	1,777	239,701
Fundraising expense	934	139,968	311	141,213
Food	140,808	78	173	141,059
Program supplies, travel, events, volunteers, Jesuits and guest assistance	109,976	343	92	110,411
Consultants	62,920	20,235	23,855	107,010
In-kind food	98,875	-	-	98,875
In-kind rent	51,750	17,250	17,250	86,250
In-kind clothing	69,190	-	-	69,190
In-kind fundraising auction items	-	60,523	-	60,523
Office expense	18,260	31,320	8,463	58,043
In-kind flowers, gifts, household and personal care items	21,712	2,784	1,044	25,540
Insurance	11,234	3,745	3,745	18,724
Staff training	3,817	4,163	925	8,905
Total expenses before depreciation	2,723,279	388,432	115,760	3,227,471
Depreciation	117,682	1,812	4,184	123,678
Total expenses	<u>\$ 2,840,961</u>	<u>\$ 390,244</u>	<u>\$ 119,944</u>	<u>\$ 3,351,149</u>

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

WOMEN'S LUNCH PLACE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Increase in net assets	\$ 12,236	\$ 68,023
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	127,062	123,678
Realized loss (gain) on investments	403	(887)
Unrealized (gain) on investments	(393)	(1,603)
(Increase) decrease in asset accounts affecting cash from operations:		
Accounts and grants receivable	(329)	55,228
Pledges receivable, net	3,500	13,000
30th anniversary pledges receivable, net	6,000	(6,000)
Prepaid expenses	8,661	(18,667)
(Decrease) increase in liability accounts affecting cash from operations:		
Accounts payable	(27,395)	27,803
Accrued expenses	3,645	2,228
Accrued payroll, vacation and withholdings	33,649	11,589
	<u>167,039</u>	<u>274,392</u>
Net cash provided by operating activities	167,039	274,392
 Cash flows from investing activities:		
(Purchase) of investments	(493,892)	(883,192)
Sale of investments	142,244	224,375
Acquisition of property and equipment	(13,200)	(37,866)
	<u>(364,848)</u>	<u>(696,683)</u>
Net cash (used) by investing activities	(364,848)	(696,683)
 Net (decrease) in cash	 (197,809)	 (422,291)
 Cash, beginning of year	 <u>387,715</u>	 <u>810,006</u>
 Cash, end of year	 <u>\$ 189,906</u>	 <u>\$ 387,715</u>

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

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and summary of significant accounting policies

Organization

Women's Lunch Place, Inc. (the Organization), is a tax-exempt, not-for-profit organization dedicated to providing support and advocacy to poor and homeless women in the greater Boston, Massachusetts area. The Organization's operations are primarily funded from donations from corporations, foundations and individuals. The Organization is also supported by approximately 500 volunteers who provide assistance throughout the Organization. The Organization is governed by a board of directors consisting of members of the community.

The Organization provides a safe, comfortable daytime community to poor and homeless women and children. Services include nutritious meals, advocacy services, medical care, a fully equipped computer and resource center, a job readiness program, creative expressions, showers, laundry, clothing and toiletries.

Financial statement presentation

As required by FASB Accounting Standards Codification (ASC) 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. When donor-imposed restrictions have been satisfied, a transfer is made from temporarily restricted net assets to unrestricted net assets. There are no permanently restricted net assets as of June 30, 2015 and 2014.

Under (ASC) 958, "*Accounting for Contributions Received and Contributions Made*", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

The Organization utilizes the accrual method of accounting.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value measurement

The Organization has adopted the criteria of FASB Accounting Standards Codification (ASC) 820, "*Fair Value Measurements and Disclosures*". ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value.

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and summary of significant accounting policies (continued)

Fair value measurement (continued)

The three levels of the fair value framework under ASC 820 are as follows:

Level I: Fair values are based on inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level II: Fair values are based on inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level III: Fair values are based on inputs that are unobservable.

A financial instrument's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The investments held by the Organization as of June 30, 2015 and 2014 are Level I investments in accordance with the fair value framework under ASC 820.

Cash and cash equivalents

The Organization considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Concentration of credit risk

The Organization places its cash and cash equivalents in highly rated banks and an investment company. Cash balances in non-interest bearing and interest bearing accounts in aggregate are insured by the FDIC up to \$250,000. Cash balances held in investment companies are not insured by the FDIC. As of June 30, 2015, cash in banks did not exceed federally insured limits while cash held in an investment company is \$65,267.

Investments

The Organization has adopted FASB Accounting Standards Codification (ASC) 958-320, *"Accounting for Certain Investments Held by Not-for-profit Organizations"*. Under (ASC) 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the Statement of Activities.

Property and equipment

Property and equipment are stated at cost. Maintenance, routine repairs and minor replacements are charged against operations, while those items which materially improve or extend the lives of existing assets are capitalized. Depreciation is computed using the straight-line method over the useful lives of the assets. For the years ended June 30, 2015 and 2014, depreciation expense is \$127,062 and \$123,678, respectively.

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and summary of significant accounting policies (continued)

Long-lived assets

The Organization assesses its long-lived assets in accordance with FASB ASC 360. ASC 360 requires, among other things, that an entity review its long-lived assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. As a result of its review, the Organization does not believe that any impairment currently exists to its long-lived assets.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in future periods are recorded at their net realizable value.

Program services

Program service expenses consist of costs related to the Organization's three programs: Meals Services, Advocacy Services and the Guest Assistance Program.

Administration and fund-raising

Administration and fund-raising expenses consist of those costs associated with the ongoing management and development of the Organization. Such expenses include office space, salaries and benefits for the administrative and development staff, printing, supplies, fundraising and other administrative expenses. Certain payroll and office expenses are allocated to program services based upon estimates of time spent among program, administration and fund raising.

Donated services and materials

A number of volunteers have made significant contributions of their time to support the Organization's work by providing transportation, supplies, food, outreach and other assistance to women. Donated materials, time and professional services are reflected as in-kind donations in the accompanying statements at their estimated value at date of receipt. The value of these services for the years ended June 30, 2015 and 2014 is as follows:

	2015	2014
Professional services	\$ 363,663	\$ 362,378
Kitchen and shelter support	335,430	337,617
Food	96,202	98,875
Clothing	61,450	69,190
Fundraising auction items	58,488	60,523
Flowers, gifts, household and personal care items	13,266	25,540
Rent	<u>-</u>	<u>86,250</u>
	<u>\$ 928,499</u>	<u>\$ 1,040,373</u>

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and summary of significant accounting policies (continued)

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service which states that it qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision or credit for federal income taxes is recorded in the accompanying financial statements.

Uncertainty in income taxes

The Organization follows U.S. GAAP standards for Accounting for Uncertainty in Income Taxes which requires the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of June 30, 2015, the Organization has determined that there are no material unrecognized tax benefits to report. The Organization files income tax returns in various tax jurisdictions. These returns are generally subject to examination by tax authorities for a period of three years from the filing due date of the returns including extensions of time to file. The Organization does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

Date of management review

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to disclose the date through which subsequent events have been evaluated for possible recognition or disclosure in the accompanying financial statements. Subsequent events are transactions or events that occur after the balance sheet date but before the financial statements are issued or available to be issued. The accompanying financial statements include the evaluation of subsequent events that have occurred through August 14, 2015 which is the date the financial statements were available to be issued.

Note 2. Pledges receivable

At June 30, 2014, there are \$3,500 of pledges receivable for the capital campaign and \$6,000 for the 30th anniversary. These pledges receivable were collected during the year ended June 30, 2015.

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

The fair value of investments is \$1,190,145 and \$838,507 at June 30, 2015 and 2014, respectively.

Investments at June 30, 2015 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Realized (Loss)</u>	<u>Unrealized Gain</u>
Corporate securities	\$ 1,190,155	\$ 1,190,145	\$ (403)	\$ 393

Investments at June 30, 2014 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Realized Gain</u>	<u>Unrealized Gain</u>
Corporate securities	\$ 836,017	\$ 838,507	\$ 887	\$ 1,603

All investments for the years ended June 30, 2015 and 2014 are Level I.

Note 4. Property and equipment

Property and equipment for the years ended June 30, 2015 and 2014 is as follows:

	2015	2014
Leasehold improvements	\$ 2,929,339	\$ 2,929,339
Furniture, computers and equipment	<u>345,761</u>	<u>332,561</u>
	3,275,100	3,261,900
Accumulated depreciation	<u>(746,866)</u>	<u>(619,804)</u>
Property and equipment – net	<u>\$ 2,528,234</u>	<u>\$ 2,642,096</u>

Note 5. Commitments

The Organization leases office equipment under an operating lease agreement. The operating lease calls for monthly payments of \$709 and expires in June 2019.

The Organization has operating leases for space in the basement of a building. The operating leases call for monthly minimum payments of \$2,671 to \$4,763 through 2021. The leases expire in April 2021.

WOMEN'S LUNCH PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 5. Commitments (continued)

The Organization extended its administrative office lease for the period of April 2014 through February 2017. The Organization will not receive free rent during this lease period. The Organization's administrative office was provided free rent for the period April 2011 through March 2014. The administrative office lease calls for a monthly payment of \$6,250.

At June 30, 2015, future minimum rental payments in the aggregate are as follows:

Years	Equipment	Rent	Total
2016	\$ 8,508	\$ 164,202	\$ 172,710
2017	8,508	139,742	148,250
2018	8,508	90,282	98,790
2019	1,418	90,822	92,240
2020	-	91,362	91,362
Thereafter	<u>-</u>	<u>76,510</u>	<u>76,510</u>
	<u>\$ 26,942</u>	<u>\$ 652,920</u>	<u>\$ 679,862</u>

Rent expense is \$163,482 and \$106,692 for the years ended June 30, 2015 and 2014, respectively. In-kind rent expense is \$86,250 for the year ended June 30, 2014.

Note 6. Note payable, bank

The Organization has a line of credit agreement with a bank that allows for borrowing up to \$200,000. The line of credit bears interest at the bank's floating rate with a floor of 5% and is secured by certain unrestricted investments of the Organization. At June 30, 2015 and 2014, there is no amount outstanding on the line of credit.

Note 7. Retirement plan

The Organization has a tax sheltered account (TSA) retirement plan under Section 403 (b) of the Internal Revenue Code. Employees may contribute a portion of their salaries up to a maximum amount based on IRS guidelines. In addition, the Organization may make discretionary matching contributions. During the years ended June 30, 2015 and 2014, the Organization made matching contributions totaling \$40,727 and \$36,627, respectively.