

Women's Lunch Place, Inc.
Financial Statements
& Independent Auditor's Report
For the Years Ended June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors of
Women's Lunch Place, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Women's Lunch Place, Inc., (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, 2017, 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.

Other Matters

Prior Period Financial Statements

The financial statements of Women's Lunch Place, Inc. as of and for the year ended June 30, 2016, were audited by other auditors whose report thereon dated November 17, 2016, expressed an unmodified opinion on those financial statements.



Anstiss & Co., P. C.
Lowell, MA
December 7, 2017

Women's Lunch Place, Inc.
Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
<u>ASSETS</u>		
Current assets		
Cash	\$ 738,284	\$ 183,429
Investments	1,149,828	1,426,099
Grants and contributions receivable	1,395	62,066
Prepaid expenses and other current assets	55,388	72,260
Total current assets	1,944,895	1,743,854
Non-current assets		
Property and equipment - net	2,301,532	2,399,281
Total non-current assets	2,301,532	2,399,281
Total assets	\$ 4,246,427	\$ 4,143,135

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 70,902	\$ 40,361
Accrued expenses	48,264	75,050
Total current liabilities	119,166	115,411
Net assets		
Unrestricted		
Operating	1,795,729	1,537,146
Property and equipment	2,301,532	2,399,281
Total unrestricted	4,097,261	3,936,427
Temporarily restricted	30,000	91,297
Total net assets	4,127,261	4,027,724
Total liabilities and net assets	\$ 4,246,427	\$ 4,143,135

Women's Lunch Place, Inc.
Statements of Activities
For the Years Ended June 30, 2017 and 2016

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Operating revenue and support				
Special events				
Event contributions and support	\$ 860,509	-	\$ 921,777	-
Less - direct benefits to donors	(82,630)	-	(83,249)	-
Net special events revenue	777,879	-	838,528	-
Grants and contributions	1,575,779	305,484	1,371,179	561,146
In-kind donations	1,024,431	-	890,727	-
Investment return	125,126	-	51,686	-
Net assets released from purpose restrictions	366,781	(366,781)	499,849	(499,849)
Total operating revenue and support	3,869,996	(61,297)	3,651,969	61,297
Operating Expenses				
Program services	2,893,029	-	2,764,089	-
General and administrative	189,498	-	212,818	-
Fundraising	626,635	-	516,796	-
Total operating expenses	3,709,162	-	3,493,703	-
Change in net assets from operations	160,834	(61,297)	158,266	61,297
Net Assets				
Beginning of year	3,936,427	91,297	3,778,161	30,000
End of year	\$ 4,097,261	\$ 30,000	\$ 3,936,427	\$ 91,297
				\$ 4,027,724

See accompanying auditor's report and notes to the financial statements.

Women's Lunch Place, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2017 and 2016

	2017						
	Guest Services	Meals	Advocacy	Total Programs	General and Administrative	Fundraising	Total
Personnel and related							
Salaries	\$ 286,824	\$ 228,078	\$ 259,520	\$ 774,422	\$ 101,732	\$ 299,545	\$ 1,175,699
Payroll taxes and fringe benefits	64,087	69,056	77,872	211,015	19,146	77,376	307,537
Total personnel and related	<u>350,911</u>	<u>297,134</u>	<u>337,392</u>	<u>985,437</u>	<u>120,878</u>	<u>376,921</u>	<u>1,483,236</u>
Other expenses							
Occupancy	111,550	107,228	46,137	264,915	21,340	57,616	343,871
Food	13	196,021	13	196,047	13	13	196,073
Program supplies	81,010	41,471	76,719	199,200	529	2,745	202,474
Depreciation	45,528	46,951	45,528	138,007	2,846	1,423	142,276
Professional services and consultants	27,444	11,608	16,988	56,040	27,227	41,913	125,180
Other direct event expenses	-	-	-	-	-	21,001	21,001
Fundraising expenses	-	-	-	-	447	82,077	82,524
Miscellaneous	652	418	243	1,313	5,666	24,914	31,893
Insurance	5,073	4,069	3,713	12,855	551	3,352	16,758
Equipment rental	5,814	1,056	5,133	12,003	5,768	3,263	21,034
Staff training	361	133	255	749	650	5,014	6,413
Office expense	667	434	931	2,032	3,583	6,383	11,998
Total other expenses	<u>278,112</u>	<u>409,389</u>	<u>195,660</u>	<u>883,161</u>	<u>68,620</u>	<u>249,714</u>	<u>1,201,495</u>
Total expenses before in-kind goods and services	<u>629,023</u>	<u>706,523</u>	<u>533,052</u>	<u>1,868,598</u>	<u>189,498</u>	<u>626,635</u>	<u>2,684,731</u>
In-kind goods and services							
In-kind salaries and professional services	387,300	243,360	129,348	760,008	-	-	760,008
In-kind food, clothing, and other supplies	126,928	133,115	4,380	264,423	-	-	264,423
Total in-kind goods and services	<u>514,228</u>	<u>376,475</u>	<u>133,728</u>	<u>1,024,431</u>	<u>-</u>	<u>-</u>	<u>1,024,431</u>
Total expenses	<u>\$ 1,143,251</u>	<u>\$ 1,082,998</u>	<u>\$ 666,780</u>	<u>\$ 2,893,029</u>	<u>\$ 189,498</u>	<u>\$ 626,635</u>	<u>\$ 3,709,162</u>

See accompanying auditor's report and notes to the financial statements.

Women's Lunch Place, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2016

	2016						
	Guest Services	Meals	Advocacy	Total Programs	General and Administrative	Fundraising	Total
Personnel and related							
Salaries	\$ 288,412	\$ 237,374	\$ 322,095	\$ 847,881	\$ 94,022	\$ 270,571	\$ 1,212,474
Payroll taxes and fringe benefits	66,210	76,888	99,281	242,379	16,769	72,213	331,361
Total personnel and related	354,622	314,262	421,376	1,090,260	110,791	342,784	1,543,835
Other expenses							
Occupancy	125,105	93,501	52,895	271,501	14,741	27,184	313,426
Food	-	167,760	-	167,760	-	-	167,760
Program supplies	43,293	47,089	55,250	145,632	195	311	146,138
Depreciation	44,066	46,163	44,066	134,295	4,198	1,399	139,892
Professional services and consultants	13,654	8,208	7,339	29,201	65,566	39,013	133,780
Other direct event expenses	-	-	-	-	-	31,161	31,161
Fundraising expenses	-	-	-	-	-	42,526	42,526
Miscellaneous	1,807	2,485	1,590	5,882	2,831	19,460	28,173
Insurance	4,246	4,247	4,246	12,739	4,247	4,246	21,232
Equipment rental	523	3,129	6,261	9,913	6,990	92	16,995
Staff training	909	1,188	1,522	3,619	955	5,418	9,992
Office expense	996	623	941	2,560	2,304	3,202	8,066
Total other expenses	234,599	374,393	174,110	783,102	102,027	174,012	1,059,141
Total expenses before in-kind goods and services	589,221	688,655	595,486	1,873,362	212,818	516,796	2,602,976
In-kind goods and services							
In-kind salaries and professional services	402,362	197,616	118,571	718,549	-	-	718,549
In-kind food, clothing, and other supplies	83,542	85,796	2,840	172,178	-	-	172,178
Total in-kind goods and services	485,904	283,412	121,411	890,727	-	-	890,727
Total expenses	\$ 1,075,125	\$ 972,067	\$ 716,897	\$ 2,764,089	\$ 212,818	\$ 516,796	\$ 3,493,703

See accompanying auditor's report and notes to the financial statements.

Women's Lunch Place, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 99,537	\$ 219,563
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	142,276	139,892
Realized and unrealized gain on investments	(100,238)	(23,738)
Changes in assets and liabilities		
Decrease (increase) in grants and contributions receivable	60,671	(58,767)
Decrease (increase) in prepaid expenses and other current assets	16,872	(26,399)
Increase in accounts payable	30,541	23,022
Decrease in accrued expenses	(26,786)	(56,895)
Net cash provided by operating activities	222,873	216,678
Cash flows from investing activities		
Proceeds from sale of investments	993,517	711,199
Purchase of investments	(617,008)	(858,148)
Purchase of fixed assets	(44,527)	(10,939)
Net cash provided (used) by investing activities	331,982	(157,888)
Net increase in cash and cash equivalents	554,855	58,790
Cash and cash equivalents at June 30, 2016 and 2015	183,429	124,639
Cash and cash equivalents at June 30, 2017 and 2016	\$ 738,284	\$ 183,429
 Supplemental data		
In-kind contributions	\$ 1,024,431	\$ 890,727

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 1 – Organization and Mission

Women's Lunch Place, Inc. (“the Organization”) is a tax-exempt, not-for-profit organization dedicated to providing meals, critical support services, and advocacy to women experiencing extreme poverty or homelessness 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.

Women’s Lunch Place is a daytime community shelter for women. It is open six days a week, year-round, and provides a supportive and judgment free community, healthy meals, and a range of individualized services to improve women’s physical, emotional and economic well-being. Services include housing, job readiness and search, homelessness prevention, permanent housing, computer and online classes, on-site free healthcare, legal assistance, laundry, showers, and a nap room.

Women Served

Women’s Lunch Place provides a unique space and critical resources in the Greater Boston homelessness service provider community. It provides a safe, judgment free, day shelter for 225 women daily who are living in extreme poverty and homelessness. WLP welcomes every woman, regardless of race, national origin, immigration status, age, ethnicity, gender identity, sexual orientation, disability, faith, criminal history or educational background. Ninety-five percent are single unaccompanied women and more than 35% are aged 60 or older. The Organization welcomes every person who identifies as a woman, with no requirements to receive services. Approximately 50% of the guests are homeless, while others live in transitional or low-income housing. Most women without homes stay in overnight shelters, but some choose the streets to avoid the overcrowding, noise and violence in the shelters. A woman may need help in an emergency situation, recover, and move forward, while other guests struggle with chronic or recurring homelessness for years. Many guests have serious physical, mental, and emotional problems which may cause and exacerbate poverty and homelessness. The Organization’s holistic approach, more than hunger relief, has been and continues to be most effective and successful in fostering meaningful, sustainable life changes. WLP meals program, direct care services, and interventions mirror the public health model, providing women the opportunity to improve their lives while making healthy choices about food. Our programs increase access to and provide information about health, mental health, and substance abuse treatment, and they encourage participation in supportive services including housing assistance, job search, art therapy, and community activities. WLP programming models the five-tier framework, starting with the lowest level of intervention to allow a positive impact, healthy nutrition, and a safe environment for every woman.

The Organization’s programs are broken out into the following categories:

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 1 – Organization and Mission (continued)

Guest Services

All services and care at the Organization are offered in a trauma-informed manner. The shelter is open Monday through Saturday, throughout the year, from 7 am to 2 pm. The Organization provides a comprehensive range of services and collaborate with other providers to meet the specific needs of each guest. Free on-site medical services are provided by doctors and nurses from Health Care Without Walls. There is a 11-bed nap room, showers and laundry facilities. The Organization provides emergency clothing, feminine hygiene products and toiletries to every woman in need of basic necessities. Staff visit women hospitalized or homebound, and accompany women to their medical, housing, and legal appointments.

Healthy Meals Program

Consistent, predictable, healthy nourishment is the core of our mission, and is the reason so many women first come to WLP. The Organization offers filling, healthy breakfasts and lunches packed with nutrient-rich fruit and vegetables, lean protein, and whole grains. Six days a week, women may select from a breakfast buffet and have their lunch served at noon restaurant style by volunteers. The Organization accommodates guests' requests whenever possible, and every lunch includes a vegetarian entrée. The Organization serves over ninety different types of produce annually. Staff and volunteers are accessible and interested in speaking with guests and listening to their concerns. When a woman feels comfortable because of a well-cooked meal in a judgment free environment, she is more likely to trust and seek opportunities to improve her life with other WLP services.

Advocacy and Homelessness Prevention

Advocates provide expert guidance with housing, domestic violence, mental health, finances, legal issues, and other critical concerns. They coach women with their job searches, and utilize volunteer lawyers ready to assist them with housing, immigration, and other legal issues. Emergency funds are available for urgent needs including utility bills, back rent, prescriptions, transportation to appointments, and other needs depending on the circumstances. Preventing homelessness is a critical mission of their work so the Organization partners with public and private agencies to help women find and keep safe, stable homes. The Organization helps women at urgent risk of losing their homes, in unsafe or substandard housing, or staying with friends or family.

Collaborations and Partnerships

Successful collaborations with other organizations are crucial for the Organization to be effective yet not duplicate services available at other local agencies. The Organization is committed to maintaining and building external relationships across all of its program areas.

Partnerships with *Greater Boston Food Bank*, *Lovin' Spoonfuls*, *Eataly*, community farms and gardens, and other local in-kind donors results in significant savings in food costs. Other close partners include *Health Care Without Walls*, *Tech Goes Home*, *Hearth*, the *Department of Mental Health's Outreach Team*, local shelters, housing agencies, legal organizations, organizations that offer material assistance, and substance abuse and mental health service providers.

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 1 – Organization and Mission (continued)

Resource Center and Library

Offers the tools for women to advocate for themselves, to search for a job, housing, or other goals. There are computers, telephones, personal voice mail, postal mail services, office supplies, reference materials, and a lending library. The Organization offers job readiness assistance with volunteers and computing classes in partnership with *Tech Goes Home*.

Creative Expressions Program

Offers classes in painting, knitting, creative writing, photography, and a variety of other artistic activities. Women learn new skills and discover their talents in a supportive, healing community. Activities include support groups, yoga, health and wellness workshops, community meetings, outside speakers, and group outings to local attractions.

Nonprofit Status

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within IRC requirements.

Note 2 - Summary of Significant Accounting Policies

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports net assets, revenues, expenses, gains, and losses in accordance with the provisions of FASB Accounting Standards Codification (ASC) 958-205, "*Presentation of Financial Statements*." Under ASC 958-205, financial information is classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets comprise those assets upon which donors have placed no restrictions on the expenditure of the principal or income. The Organization has grouped its unrestricted net assets into the following categories:

- **Operating net assets** represent funds available to carry on the operations of the Organization.
- **Property and Equipment** represent amount expended and resources available for property and equipment, net of related debt.

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Temporarily Restricted Net Assets

Net assets subject to donor imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. At June 30, 2017 and 2016, the Organization had net assets of \$30,000 and \$91,297, respectively, that were temporarily restricted as to time and purpose.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization are classified as permanently restricted. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes. At June 30, 2017 and 2016, the Organization had no permanently restricted net assets.

Investments

All investments are held in an investment portfolio, which is managed by a third-party investment manager as directed by the Organization. Investments are recorded in the financial statements at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Bonds and government securities are valued using several factors, including its credit rating relative to a corporate bond or government security with similar maturity or duration.

The purpose of the Organization's investment account is to grow the portfolio with a combination of long-term growth through earnings and appreciation and regular deposits to the account from the Organization's operating account. The investment objective is to maximize return on assets consistent with using diversified investments to minimize risk. Asset allocation guidelines are followed to ensure a balanced portfolio. The equity portion of the portfolio is invested in stocks whose primary objective is to offer an above market dividend yield along with the opportunity for price appreciation. The fixed income allocation is invested in a total rate of return orientation that focuses on both income generation and price appreciation. There is flexibility to add Midcap and Small Cap exposure to this portfolio when the size of the account warrants greater diversification across asset classes. Additionally, international stocks and exposure will be considered as the overall account grows.

The following ranges will dictate asset allocation of investments:

Equities	55% - 75%
Fixed Income	25% - 35%
Cash	0% - 10%

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value Measurements

ASC 820-10, "*Fair Value Measurements and Disclosures*," applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable for the asset or liability which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

ASC 825-10, "*Financial Instruments*," permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed in the standard. Management has determined that the fair values of its financial instruments not carried at fair value, including cash, grants and contributions receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses are substantially equivalent to their carrying values as of June 30, 2017 and 2016 due to their short-term nature.

Grants and Contributions Receivable

The Organization records its accounts receivable at the amount it expects to collect on the outstanding principal amount. All outstanding amounts are expected to be collected within one year. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts based on the history of write-offs, collections, and current credit conditions. As of June 30, 2017 and 2016, there was no allowance for doubtful accounts.

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

The Organization capitalizes major purchases of fixed assets, which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs are charged to expense as incurred. Capitalized assets are recorded at cost if purchased or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized as follows:

	<u>Years</u>
Furniture, computers and equipment	3-10
Leasehold improvements	Term of Lease

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison to the future undiscounted net cash flows expected to be generated by the assets. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Revenue Recognition

Unrestricted grants, contributions and special event revenues are recognized when unconditionally pledged or received. Restricted grants and contributions are reported as temporarily restricted support and net assets if they are received or pledged with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Expense Allocation

Expenses are allocated among program and supporting services directly or based on Management's estimates of the percentage attributable to each function. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for overall support and direction of the Organization.

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Donated Goods and Services

Volunteers and other organizations contribute goods and services to the Organization in support of its programs. These goods and services are reflected in the accompanying financial statements as in-kind revenue and expense based on the estimated value assigned to them by the donors or by management. The estimated value recorded for these goods and services for the years ended June 30, 2017 and 2016, respectively, was as follows:

	2017	2016
Kitchen and shelter support salaries	\$ 375,223	\$ 402,526
Professional services	384,785	316,023
Food	133,115	85,796
Flowers, gifts, household and personal care items	82,813	41,172
Clothing	48,495	45,210
Total donated goods and services	\$ 1,024,431	\$ 890,727

The Organization receives donated services from a variety of unpaid volunteers who make significant contributions of their time in conjunction with programs and service. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

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.

Uncertain Tax Positions

The Organization, incorporated under Chapter 180 of the Massachusetts General Laws as a tax-exempt entity, has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3), and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The Organization is required by ASC 740-10, "Accounting for Uncertainty in Income Taxes," to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing. Substantially all of the Organization's income, expenditures and activities relate to its exempt purpose, therefore, management has determined that the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax exempt not-for-profit entity.

Women's Lunch Place, Inc.
Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Accounting updates

In February 2016, the FASB issued Accounting Standards Update (ASU) ASU 2016-02, "Leases," amending Financial Accounting Standards Board Accounting Standards Codification (ASC) by adding topic 842. The new ASU requires that lessees recognize on the statement of financial position the assets and liabilities for the rights and obligations created by all leases with terms of more than twelve months, regardless of their classification as either operating or capital leases. For non-profit organizations, this ASU takes effect for fiscal years beginning after December 15, 2019.

In August 2016, the FASB issued Accounting Standards Update (ASU) ASU 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities," replacing Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205. The new ASU will change the way all not-for-profit entities classify net assets and prepare financial statements. Under the new standard, the three existing classes of net assets (unrestricted, temporarily restricted, and permanently restricted) will now become two classes: Net assets without donor restrictions, and Net Assets with donor restrictions. The new ASU requires enhanced reporting of liquidity information, performance measures, investment expenses, functional expenses, and cash flow information. This ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

There were no other accounting standards recently issued that had or are expected to have a material impact on 2017's financial statements and associated disclosures.

Note 3 – Fair Value of Investments

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures (see Note 2). The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2017 and 2016:

	2017			
	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Money market funds	\$ 48,679	\$ 48,679	\$ -	\$ -
Equities				
Industrials	112,130	112,130	-	-
Information technology	157,452	157,452	-	-
Healthcare	106,570	106,570	-	-
Financials	149,075	149,075	-	-
Other equity securities	244,717	244,717	-	-
Corporate bonds	331,205	-	331,205	-
Total	<u>\$ 1,149,828</u>	<u>\$ 818,623</u>	<u>\$ 331,205</u>	<u>\$ -</u>

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Note 3 – Fair Value of Investments (continued)

	2016			
	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Money market funds	\$ 52,585	\$ 52,585	\$ -	\$ -
Equities				
Industrials	142,402	142,402	-	-
Information technology	141,536	141,536	-	-
Healthcare	141,086	141,086	-	-
Financials	126,000	126,000	-	-
Other equity securities	370,422	370,422	-	-
Corporate bonds	336,886	-	336,886	-
Mutual funds	115,182	115,182	-	-
Total	\$ 1,426,099	\$ 1,089,213	\$ 336,886	\$ -

Investments classified in Level 2 consist of direct interest in bonds, which are thinly traded. Their classification of Level 2 is based on the Organization's inability to access quoted prices in active markets for similar assets. Fair values for these bonds are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The classification of investments in the fair value hierarchy is not necessarily an indication of the risk, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

Note 4 – Investment Return

Realized and unrealized gains or losses on investments are determined by comparison of the difference between market values and average cost, respectively and are included in investment return. Dividend and interest income is recognized when earned. Investment return for the years ended June 30, 2017 and 2016 is summarized as follows:

	2017	2016
Interest and dividends	\$ 40,111	\$ 41,261
Realized gain	69,089	2,299
Unrealized gain	31,149	21,439
Investment fees	(15,223)	(13,313)
Total investment return	\$ 125,126	\$ 51,686

Investment income is shown net of investment management and custody fees paid directly to investment managers. In addition, there were investment fees that were not paid directly to the managers, but rather netted from the return.

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Note 5 – Property and Equipment

Property and equipment consisted of the following at June 30th:

	2017	2016
Leasehold improvements	\$ 2,809,321	\$ 2,799,154
Furniture, computers and equipment	216,818	182,457
	3,026,139	2,981,611
Less: accumulated depreciation	724,607	582,330
Property and equipment - net	\$ 2,301,532	\$ 2,399,281

Depreciation expense was \$142,276 and \$139,892 for the years ending June 30, 2017 and 2016, respectively.

Note 6 – Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and grants and contributions receivable. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Management periodically assesses the stability of the financial institutions that hold their funds and considers credit risk to be minimal. The Organization has not experienced any losses in such accounts. Approximately 95% of grants and contributions receivable were due from one contributor as of June 30, 2017 and 2016.

Note 7 – Operating Leases

The Organization leases equipment with monthly payments of \$709 through August 2018. Lease expense for the equipment was \$8,508 for the years ended June 30, 2017 and 2016, and is included in equipment rental in the accompanying statements of functional expenses.

The Organization has various operating leases for its administrative and program space. These operating leases call for minimum monthly payments ranging from \$2,671 to \$7,210 through April 2021. Rent expense related to these agreements was \$179,962 and \$164,022 for the years ended June 30, 2017 and 2016, respectively, and is included in occupancy in the accompanying statements of functional expenses.

During the year ended June 30, 2017, the Organization terminated its lease agreement for administrative office space and negotiated a lease for a new location. Rent expense under the terms of this lease call for minimum monthly payments of \$7,210 beginning in September 2016. Rent expense escalates on an annual basis based on the Consumer Price Index (CPI), subject to a ceiling of 2%, through August 2021.

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Note 7 – Operating Leases (continued)

Future minimum lease payments are as follows:

	<u>Equipment</u>	<u>Facility</u>	<u>Total</u>
2018	\$ 8,508	\$ 178,244	\$ 186,752
2019	1,418	180,543	181,961
2020	-	182,878	182,878
2021	-	169,856	169,856
Thereafter	-	15,609	15,609
	<u>\$ 9,926</u>	<u>\$ 727,130</u>	<u>\$ 737,056</u>

Note 8 – Lines of Credit

The Organization maintained a line of credit that allowed for borrowings of up to \$250,000. The line of credit bore interest at the bank's floating rate (5% and 3.5% at June 30, 2017 and 2016, respectively), with a floor of 5%. The Line was secured by all business assets of the Organization and expired in December 2016. There was no outstanding balance on this line of credit at June 30, 2017 and 2016.

The Organization has a second line of credit with another bank that allows for borrowings of up to \$500,000. This line of credit bears interest at the bank's prime rate (4.25% and 3.5% at June 30, 2017 and 2016, respectively), and is secured by all the business assets of the Organization. There was no outstanding balance on this line of credit at June 30, 2017 and 2016.

Note 9 – Retirement Plan

The Organization offers a tax-deferred annuity plan (the Plan) under IRC Section 403(b) to all its employees. The Plan allows employees to defer a percentage of their earnings based on IRS guidelines. In addition, the Organization may make discretionary matching contributions. During the years ended June 30, 2017 and 2016, the Organization made matching contributions of \$42,010 and \$48,847, respectively, to the Plan which are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

Note 10 – Reclassifications

Certain amounts in the fiscal year 2016 financial statements have been reclassified to conform to the fiscal year 2017 presentation.

Note 11 – Subsequent Events

ASC 855-10, "*Subsequent Events*," defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, management has evaluated events subsequent to June 30, 2017 through December 7, 2017 which is the date the financial statements were available to be issued. There were no material events noted during this period that would either impact the results reflected in this report or the Organization's results going forward.