

**Women's Lunch Place, Inc.**  
**Financial Statements**  
**& Independent Auditor's Report**  
**For the Years Ended June 30, 2019 and 2018**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-21

## 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 statements of financial position as of June 30, 2019 and 2018, 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 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ending June 30, 2019, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. As a result, the standard was retroactively applied to the financial statements for the fiscal year ending June 30, 2018. Our opinion is not modified with respect to this matter.

***Prior Period Adjustment***

As discussed in Note 13 to the financial statements, during the fiscal year ending June 30, 2019, it was determined that there were unrecorded pledges receivables in 2017 and 2018. This resulted in an understatement of net assets with donor restrictions as of June 30, 2018 and 2017. Accordingly, a prior period adjustment was recorded to the 2018 financial statements to correct this error. Our opinion is not modified with respect to this matter.

*Anstiss & Co., P. C.*

Anstiss & Co., P. C.  
Lowell, MA  
November 21, 2019

**Women's Lunch Place, Inc.**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	\$ 929,135	\$ 918,366
Grants and contributions receivable	35,391	126,667
Prepaid expenses and other current assets	57,989	72,437
<b>Total current assets</b>	1,022,515	1,117,470
<b>Non-current assets</b>		
Investments held for operating reserves	1,323,819	1,196,776
Property and equipment - net	2,028,383	2,164,193
<b>Total non-current assets</b>	3,352,202	3,360,969
<b>Total assets</b>	\$ 4,374,717	\$ 4,478,439

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable	\$ 76,261	\$ 80,598
Accrued expenses	66,262	53,719
<b>Total current liabilities</b>	142,523	134,317
<b>Net assets</b>		
Without donor restrictions		
Operating	847,492	856,486
Operating reserves	1,323,819	1,196,776
Property and equipment	2,028,383	2,164,193
Total without donor restrictions	4,199,694	4,217,455
With donor restrictions		
Total net assets	32,500	126,667
<b>Total net assets</b>	4,232,194	4,344,122
<b>Total liabilities and net assets</b>	\$ 4,374,717	\$ 4,478,439

Women's Lunch Place, Inc.  
Statements of Activities  
For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue and support</b>						
Special events						
Event contributions and support	\$ 999,133	\$ -	\$ 999,133	\$ 895,133	\$ -	\$ 895,133
Less - direct benefits to donors	(109,819)	-	(109,819)	(100,550)	-	(100,550)
Net special events revenue	889,314	-	889,314	794,583	-	794,583
Grants and contributions	1,555,142	245,464	1,800,606	1,677,639	262,750	1,940,389
In-kind donations	1,175,304	-	1,175,304	1,176,502	-	1,176,502
Investment return	137,216	-	137,216	105,416	-	105,416
Net assets released from purpose restrictions	339,631	(339,631)	-	266,083	(266,083)	-
<b>Total operating revenue and support</b>	<b>4,096,607</b>	<b>(94,167)</b>	<b>4,002,440</b>	<b>4,020,223</b>	<b>(3,333)</b>	<b>4,016,890</b>
<b>Operating Expenses</b>						
Program services	3,449,829	-	3,449,829	3,343,074	-	3,343,074
General and administrative	201,560	-	201,560	165,414	-	165,414
Fundraising	462,979	-	462,979	391,541	-	391,541
<b>Total operating expenses</b>	<b>4,114,368</b>	<b>-</b>	<b>4,114,368</b>	<b>3,900,029</b>	<b>-</b>	<b>3,900,029</b>
<b>Change in net assets from operations</b>	<b>(17,761)</b>	<b>(94,167)</b>	<b>(111,928)</b>	<b>120,194</b>	<b>(3,333)</b>	<b>116,861</b>
<b>Net Assets</b>						
Beginning of year - as previously stated	4,217,455	126,667	4,344,122	4,097,261	30,000	4,127,261
Prior period adjustment	-	-	-	-	100,000	100,000
Beginning of year - as restated	4,217,455	126,667	4,344,122	4,097,261	130,000	4,227,261
End of year	\$ 4,199,694	\$ 32,500	\$ 4,232,194	\$ 4,217,455	\$ 126,667	\$ 4,344,122

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, 2019

	Guest Services	Meals	Advocacy	Community Engagement	Total Programs	General and Administrative	Fundraising	Total
<b>Personnel and related</b>								
Salaries	\$ 409,287	\$ 258,389	\$ 280,296	\$ 69,531	\$ 1,017,503	\$ 94,772	\$ 179,343	\$ 1,291,618
Payroll taxes and fringe benefits	84,919	58,814	64,184	15,814	223,731	9,691	52,364	285,786
Total personnel and related	494,206	317,203	344,480	85,345	1,241,234	104,463	231,707	1,577,404
<b>Other expenses</b>								
Occupancy	112,155	126,359	41,492	9,615	289,621	10,733	46,050	346,404
Food	67	217,570	-	-	217,637	-	-	217,637
Program supplies	47,008	52,417	83,346	235	183,006	-	116	183,122
Depreciation	44,433	45,822	44,433	-	134,688	2,778	1,389	138,855
Professional services and consultants	32,866	12,533	67,117	21,036	133,552	52,267	38,681	224,500
Other direct event expenses	-	-	-	-	-	-	135,102	135,102
Fundraising expenses	-	-	-	-	-	-	62,634	62,634
Advertising/Jobs	12,126	2,788	11,242	13,941	40,097	3,169	14,745	58,011
Miscellaneous	207	340	47	742	1,336	10,482	23,957	35,775
Insurance	6,241	4,993	4,785	-	16,019	624	4,161	20,804
Equipment rental	3,421	2,405	3,585	199	9,610	9,487	7,321	26,418
Staff training	1,226	-	298	-	1,524	1,132	2,878	5,534
Office expense	1,808	1,858	1,800	735	6,201	5,749	4,057	16,007
Taxes	-	-	-	-	-	676	-	676
Total other expenses	261,558	467,085	258,145	46,503	1,033,291	97,097	341,091	1,471,479
Total expenses before in-kind goods and services	755,764	784,288	602,625	131,848	2,274,525	201,560	572,798	3,048,883
<b>In-kind goods and services</b>								
In-kind salaries and professional services	413,096	393,783	107,661	-	914,540	-	-	914,540
In-kind food, clothing, and other supplies	169,789	90,975	-	-	260,764	-	-	260,764
Total in-kind goods and services	582,885	484,758	107,661	-	1,175,304	-	-	1,175,304
Total expenses by function	1,338,649	1,269,046	710,286	131,848	3,449,829	201,560	572,798	4,224,187
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(109,819)	(109,819)
Cost of direct benefits to donors	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 1,338,649	\$ 1,269,046	\$ 710,286	\$ 131,848	\$ 3,449,829	\$ 201,560	\$ 462,979	\$ 4,114,368

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, 2018**

	Guest Services	Meals	Advocacy	Community Engagement	Total Programs	Administrative	Fundraising	Total
<b>Personnel and related</b>								
Salaries	\$ 347,013	\$ 260,482	\$ 295,191	\$ 95,373	\$ 998,059	\$ 15,461	\$ 156,383	\$ 1,169,903
Payroll taxes and fringe benefits	76,431	73,308	75,998	9,662	235,399	13,445	44,885	293,729
Total personnel and related	423,444	333,790	371,189	105,035	1,233,458	28,906	201,268	1,463,632
<b>Other expenses</b>								
Occupancy	106,972	108,806	52,420	10,712	278,910	11,550	46,207	336,667
Food	-	180,617	-	-	180,617	-	-	180,617
Program supplies	74,506	51,418	150,335	6,213	282,472	529	6,354	289,355
Depreciation	46,400	47,850	46,400	-	140,650	2,900	1,450	145,000
Professional services and consultants	20,503	4,714	7,727	4,302	37,246	83,165	38,987	159,398
Other direct event expenses	-	-	-	-	-	-	118,526	118,526
Fundraising expenses	-	-	-	-	-	30	42,572	42,602
Advertising/Jobs	172	45	-	-	217	930	593	1,740
Miscellaneous	229	319	91	-	639	11,912	18,865	31,416
Insurance	6,554	5,243	5,025	-	16,822	655	4,369	21,846
Equipment rental	4,244	181	2,037	-	6,462	5,000	5,792	17,254
Staff training	369	231	1,165	-	1,765	265	2,882	4,912
Office expense	709	651	597	-	1,957	4,930	4,226	11,113
Total other expenses	260,658	400,075	265,797	21,227	947,757	121,866	290,823	1,360,446
Total expenses before in-kind goods and services	684,102	733,865	636,986	126,262	2,181,215	150,772	492,091	2,824,078
<b>In-kind goods and services</b>								
In-kind salaries and professional services	394,846	406,584	100,300	-	901,730	14,642	-	916,372
In-kind food, clothing, and other supplies	99,621	151,853	8,655	-	260,129	-	-	260,129
Total in-kind goods and services	494,467	558,437	108,955	-	1,161,859	14,642	-	1,176,501
Total expenses by function	1,178,569	1,292,302	745,941	126,262	3,343,074	165,414	492,091	4,000,579
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(100,550)	(100,550)
Cost of direct benefits to donors	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 1,178,569	\$ 1,292,302	\$ 745,941	\$ 126,262	\$ 3,343,074	\$ 165,414	\$ 391,541	\$ 3,900,029

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, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities</b>		
<b>Change in net assets</b>	\$ (111,928)	\$ 116,861
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	138,855	145,000
Realized and unrealized gain on investments	(95,219)	(76,002)
Changes in assets and liabilities		
Decrease (increase) in grants and contributions receivable	91,276	(25,272)
Decrease (increase) in prepaid expenses and other current assets	14,448	(17,049)
(Decrease) increase in accounts payable	(4,337)	9,696
Increase in accrued expenses	12,543	5,455
<b>Net cash provided by operating activities</b>	45,638	158,689
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	960,673	109,676
Purchase of investments	(992,497)	(80,622)
Purchase of fixed assets	(3,045)	(7,661)
<b>Net cash (utilized) provided by investing activities</b>	(34,869)	21,393
<b>Net increase in cash and cash equivalents</b>	10,769	180,082
<b>Cash and cash equivalents at June 30, 2018 and 2017</b>	918,366	738,284
<b>Cash and cash equivalents at June 30, 2019 and 2018</b>	\$ 929,135	\$ 918,366
 <b>Supplemental data</b>		
In-kind contributions	\$ 1,377,543	\$ 1,294,493
Taxes paid	\$ 676	\$ -

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

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**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: 23% are aged 55-64 and 33% are 65 or older. The Organization welcomes every person who identifies as a woman, with no requirements to receive services. Approximately 60% 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, 2019 and 2018**

**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 collaborates 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 have their breakfast and lunch served 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.

**Community Engagement**

WLP staff works to increase the public's awareness and understanding of the causes of poverty and homelessness, and the hardships and barriers women encounter to improve their lives. Through education, the public becomes effective advocates for change that improves opportunities for those in need of housing, mental health and addiction treatment and viable employment. By speaking with a wide range of stakeholders, we build meaningful and lasting connections that result in improved understanding of the issues facing guests in our shelter community.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 1 – Organization and Mission (continued)**

**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*, 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.

**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**

**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. 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:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations are classified as without donor restrictions.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**  
**Basis of Presentation (continued)**

Net Assets Without Donor Restrictions (continued)

From time to time, the Board may vote to set aside a certain dollar amount or percentage of net assets without donor restrictions for use at a specific time, for a specific purpose, as it sees fit. These board-designated net assets may become undesignated with the passage of time or when used for their intended purpose. In addition, the Board may undesignate these net assets at its discretion if the originally intended time period or purpose is deemed no longer relevant to applicable to the needs of the Organization.

Net Assets With Donor Restrictions

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 net assets with donor restrictions. When a restriction expires, 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.

Also included in this category, are net assets subject to donor restrictions to be maintained in perpetuity as permanent assets of the Organization. Generally, all income and unrealized and realized net gains on investments related to these net assets can be made available for operations as the Organization appropriates its annual spending based on the use of a spending policy or in accordance with donor restrictions. For the years ended June 30, 2019 and 2018, the Organization had net assets with donor restrictions of \$32,500 and \$126,667, respectively.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash, time deposits, certificates of deposit, and other highly liquid financial instruments with original maturities of three months or less, where are neither held nor restricted by donors for long-term purposes.

**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

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Investment (continued)**

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 dictate asset allocation of investments:

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

**Fair Value Measurements**

The Organization follows ASC 820-10, "*Fair Value Measurements*," 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, 2019 and 2018 due to their short-term nature.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**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, 2019 and 2018, there was no allowance for doubtful accounts.

**Property and Equipment**

The Organization capitalizes major purchases of fixed assets exceeding \$1,000, 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**

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Gifts of assets other than cash are recorded at their estimated fair value as of the date of the gift. Pledges receivable are stated at their estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**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, 2019 and 2018, respectively, was as follows:

	2019	2018
Kitchen and shelter support salaries	\$ 545,107	\$ 541,679
Professional services	369,434	374,693
Flowers, gifts, household and personal care items	122,942	81,480
Food	90,975	151,852
Clothing	46,846	26,797
Total donated goods and services	\$ 1,175,304	\$ 1,176,501

In addition, the Organization received in-kind contributions of securities amounting to \$202,239 and \$117,991 for the years ending June 30, 2019 and 2018, respectively.

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 statements of activities because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

**Functional Allocation of Expenses**

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses are required to present the nature classification detail of expenses by function allocated on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program or support service are allocated directly. Based on management's estimates, certain costs have been allocated among major classes of program services and supporting services as appropriate. 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.

**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.



**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash. The Organization maintains its cash in 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.

Investments are exposed to various risks such as market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the financial statements.

**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. Management believes it is no longer subject to review by taxing authorities for periods prior to 2016. 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 material unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

**Adoption of Recent Accounting Pronouncements**

During fiscal year ended on June 30, 2019, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-profit Entities (Topic 958): "Presentation of Financial Statements for Not-for-Profit Entities."* This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts as net assets without donor restrictions when the associated long-lived asset is placed in service; and the recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. As a result of the adoption of this standard, during fiscal year ended on June 30, 2019, certain amounts from the prior year financial statements were reclassified to conform with current year presentation.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Adoption of Recent Accounting Pronouncements (continued)**

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018 is as follows:

<u>Net Asset Classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total net assets</u>
As previously presented:			
Unrestricted	\$ 4,217,455	\$ -	\$ 4,217,455
Temporarily restricted	-	126,667	126,667
Total net assets as reclassified	<u>\$ 4,217,455</u>	<u>\$ 126,667</u>	<u>\$ 4,344,122</u>

**Accounting updates**

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, “*Revenue from Contracts with Customers*,” amending Financial Accounting Standards Board Accounting Standards Codification (ASC) topic 606. This ASU affects any entity that enters into contracts with customers to transfer goods or services and is intended to enhance the comparability of revenue recognition practices across entities. The new standard requires entities to recognize revenue when the entity has satisfied its performance obligations under contracts with customers in the amount the entity expects to be entitled to in exchange for the goods or services provided. For non-profit organizations with no public debt, this ASU takes effect for annual periods beginning after December 15, 2018. Early adoption is permitted.

In June 2018, the FASB issued ASU 2018-08, “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*,” amending Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-605. The new ASU clarifies the difference between an exchange transaction and a contribution and further defines when a contribution is considered conditional or unconditional. This will allow non-profit entities to identify when and how revenue should be recognized. For non-profit organizations without public debt, this ASU is effective for financial statements issued for annual periods beginning after December 15, 2018.

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, 2020.

The Organization is currently evaluating the effect that these accounting pronouncements will have on the financial statements. There were no other accounting standards recently issued that had or are expected to have a material impact on 2019’s financial statements and associated disclosures.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 3 - Liquidity and Availability**

Financial assets available within one year for general expenditure were as follows as of June 30, 2019 and 2018:

	2019	2018
Cash	\$ 929,135	\$ 918,366
Grants and contributions receivable	35,391	126,667
Total financial assets available for general expenditure within one year	\$ 964,526	\$ 1,045,033

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The policy is used in conjunction with the Organization's Investment Policy. The Organization strives to have on hand operating reserves sufficient to meet seasonal shortfalls of cash flow and withstand the possibility of large capital or unbudgeted expenditures or those resulting from extraordinary events such as natural disasters. The operating reserves are maintained in an investment account and cannot be released for use in operations without approval of the Finance Committee, with communications to the Executive Committee and Board. To help manage periods when there are shortfalls or unanticipated liquidity needs, the Organization maintains a line of credit of \$350,000. The Executive Director with the Director of Finance may access the line of credit with approval of the Executive Committee and communication to the Board. When there is excess cash on hand not required for current operations or anticipated future obligations, the surplus will be added to investments held for operating reserves to replenish amounts expended or increase available resources.

**Note 4 – Fair Value of Investments**

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures (Note 2). The following tables present the Organization's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2019 and 2018:

	2019			
	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	\$ 11,448	\$ 11,448	\$ -	\$ -
Equities				
Industrials	53,706	53,706	-	-
Information technology	194,231	194,231	-	-
Healthcare	133,667	133,667	-	-
Financials	160,257	160,257	-	-
Other equity securities	388,638	388,638	-	-
Corporate bonds	381,872	-	381,872	-
Total	\$ 1,323,819	\$ 941,947	\$ 381,872	\$ -

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 4 – Fair Value of Investments (continued)**

	2018			
	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	\$ 42,486	\$ 42,486	\$ -	\$ -
Equities				
Industrials	54,330	54,330	-	-
Information technology	207,132	207,132	-	-
Healthcare	132,583	132,583	-	-
Financials	161,595	161,595	-	-
Other equity securities	270,030	270,030	-	-
Corporate bonds	328,620	-	328,620	-
Total	\$ 1,196,776	\$ 868,156	\$ 328,620	\$ -

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 5 – Property and Equipment**

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

	2019	2018
Leasehold improvements	\$ 2,812,156	\$ 2,812,156
Furniture, computers and equipment	224,689	221,644
	3,036,845	3,033,800
Less: accumulated depreciation	(1,008,462)	(869,607)
Property and equipment - net	\$ 2,028,383	\$ 2,164,193

Depreciation expense was \$138,855 and \$145,000 for the years ending June 30, 2019 and 2018, respectively.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 6 – 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 ending June 30, 2019 and 2018 is summarized as follows:

	2019	2018
Interest and dividends	\$ 47,855	\$ 40,058
Realized gain (loss)	143,099	(3,386)
Unrealized (loss) gain	(47,880)	79,388
Investment fees	(5,858)	(10,644)
Total investment return	<u>\$ 137,216</u>	<u>\$ 105,416</u>

Investment return 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.

**Note 7 – Line of Credit**

The Organization had a line of credit with a bank that allowed for borrowings of up to \$500,000. This line of credit bore interest at the bank's prime rate (4.25% at June 30, 2018), and was secured by all of the Organization's assets and expired March 2018. There was no outstanding balance on this line of credit at June 30, 2018.

**Note 8 – Net Assets**

Net assets consisted of the following as of June 30, 2019 and 2018, respectively:

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating funds	\$ 847,492	\$ -	\$ 847,492	\$ 856,486	\$ -	\$ 856,486
Operating reserves	1,323,819	-	1,323,819	1,196,776	-	1,196,776
Invested in property and equipment	2,028,383	-	2,028,383	2,164,193	-	2,164,193
Restricted for purpose	-	32,500	32,500	-	126,667	126,667
	<u>\$ 4,199,694</u>	<u>\$ 32,500</u>	<u>\$ 4,232,194</u>	<u>\$ 4,217,455</u>	<u>\$ 126,667</u>	<u>\$ 4,344,122</u>

Net assets with donor restrictions consist of funds held for the following purposes as of June 30<sup>th</sup>:

	2019	2018
Healthy Meals	\$ 30,000	\$ 60,000
Summer Intern	2,500	-
Homeless Prevention	-	66,667
Total net asset with donor restrictions	<u>\$ 32,500</u>	<u>\$ 126,667</u>

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 9 – Operating Leases**

The Organization leases equipment with monthly payments of \$680 through April 2021. Lease expense for the equipment was \$8,160 for each of the years ending June 30, 2019 and 2018, respectively, and is included in equipment rental in the accompanying statements of functional expenses.

During the year ending June 30, 2017, the Organization entered into a lease agreement for administrative office space. Rent expense under the terms of this lease call for minimum monthly payments of \$7,210 beginning in September 2016. Rent expense escalates annually based on the Consumer Price Index (CPI), subject to a ceiling of 2%, through August 2021.

The Organization has various operating leases for its administrative and program space. These operating leases call for minimum monthly payments ranging from \$250 to \$7,210 through August 2021. Rent expense related to these agreements was \$182,484 and \$177,878 for the years ending June 30, 2019 and 2018, respectively, and is included in occupancy in the accompanying statements of functional expenses.

Future minimum lease payments are as follows:

	<u>Total</u>
2020	\$ 185,878
2021	172,356
2022	15,608
	<u>\$ 373,842</u>

**Note 10 – 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 ending June 30, 2019 and 2018, the Organization made matching contributions to the Plan of \$31,761 and \$35,267, respectively, which are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

**Note 11 – Reclassifications**

During 2019, certain amounts reported the 2018 financial statements were reclassified to conform to current year presentation.

**Note 12 – 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, 2019 through November 21, 2019, 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.

**Women's Lunch Place, Inc.**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 13 – Prior Period Adjustments**

During the fiscal year ending June 30, 2019, the financial statement as of and for the years ending June 30, 2018 and 2017 were restated to correct for unrecorded pledges receivable. As of June 31, 2018, the balance of net assets with donor restrictions was restated as \$126,667. The effect of the restatement on the change in net assets for the year ending June 30, 2018 was an increase of \$26,667 from \$90,194 to \$116,861.

Net assets as of June 30, 2017 were restated as follows:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Net assets with donor restrictions	\$ 30,000	100,000	\$ 130,000

As of and for the year ended June 30, 2018, the following amounts were restated:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of financial position:			
Grants and contributions receivable	\$ -	126,667	\$ 126,667
Total current assets	\$ 990,803	126,667	\$ 1,117,470
Total assets	\$4,351,772	126,667	\$ 4,478,439
Net assets with donor restrictions	\$ -	126,667	\$ 126,667
Total net assets	\$4,217,455	126,667	\$ 4,344,122
Total liabilities and net assets	\$4,351,772	126,667	\$ 4,478,439
Statement of activities:			
Grants and contributions	\$1,913,722	26,667	\$ 1,940,389
Total operating revenue and support	\$3,990,223	26,667	\$ 4,016,890
Net assets at beginning of year	\$4,127,261	100,000	\$ 4,227,261
Net assets at end of year	\$4,217,455	126,667	\$ 4,344,122
Statement of cash flows:			
Change in net assets	\$ 90,194	26,667	\$ 116,861
Increase in grants and contributions receivable	\$ 1,395	(26,667)	\$ (25,272)