



the women's lunch place
dignity is everything

**FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

WOMEN'S LUNCH PLACE, INC.

Contents
June 30, 2016 and 2015

	<u>Pages</u>
Independent Auditor's Report	1 – 1A
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 15



21 East Main Street
Westborough, MA 01581
508.366.9100
aafcpa.com

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 Massachusetts corporation, not for profit) (the Organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses 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. 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, 2016, 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.

Prior Period Financial Statements

The financial statements of the Organization as of and for the year ended June 30, 2015, were audited by other auditors whose report dated August 14, 2015, expressed an unmodified opinion on those statements.

Alexander, Brown, Fenning & Co., P.C.

Boston, Massachusetts
November 17, 2016

WOMEN'S LUNCH PLACE, INC.Statements of Financial Position
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash	\$ 183,429	\$ 124,639
Grants and contributions receivable	62,066	3,299
Prepaid expenses and other	72,260	45,861
Total current assets	317,755	173,799
Investments	1,426,099	1,255,412
Property and Equipment, net	2,399,281	2,528,234
Total assets	<u>\$ 4,143,135</u>	<u>\$ 3,957,445</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 31,203	\$ 17,339
Accrued expenses	84,208	131,945
Total current liabilities	115,411	149,284
Net Assets:		
Unrestricted:		
Operating	1,537,146	1,249,927
Property and equipment	2,399,281	2,528,234
Total unrestricted	3,936,427	3,778,161
Temporarily restricted	91,297	30,000
Total net assets	4,027,724	3,808,161
Total liabilities and net assets	<u>\$ 4,143,135</u>	<u>\$ 3,957,445</u>

WOMEN'S LUNCH PLACE, INC.

 Statements of Activities and Changes in Net Assets
 For the Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating Revenue and Support:						
Special events:						
Event contributions and support	\$ 921,777	\$ -	\$ 921,777	\$ 865,968	\$ -	\$ 865,968
Less - direct expenses	(114,410)	-	(114,410)	(108,049)	-	(108,049)
Net special events revenue	807,367	-	807,367	757,919	-	757,919
Grants and contributions	1,371,179	561,146	1,932,325	1,340,949	338,070	1,679,019
In-kind donations	890,727	-	890,727	870,011	-	870,011
Net assets released from purpose restrictions	499,849	(499,849)	-	337,570	(337,570)	-
Total operating revenue and support	3,569,122	61,297	3,630,419	3,306,449	500	3,306,949
Operating Expenses:						
Program services	2,764,089	-	2,764,089	2,950,795	-	2,950,795
General and administrative	212,818	-	212,818	127,842	-	127,842
Fundraising	485,635	-	485,635	238,145	-	238,145
Total operating expenses	3,462,542	-	3,462,542	3,316,782	-	3,316,782
Changes in net assets from operations	106,580	61,297	167,877	(10,333)	500	(9,833)
Other Revenue:						
Investment return	51,686	-	51,686	22,069	-	22,069
Changes in net assets	158,266	61,297	219,563	11,736	500	12,236
Net Assets:						
Beginning of year	3,778,161	30,000	3,808,161	3,766,425	29,500	3,795,925
End of Year	\$ 3,936,427	\$ 91,297	\$ 4,027,724	\$ 3,778,161	\$ 30,000	\$ 3,808,161

The accompanying notes are an integral part of these statements.

WOMEN'S LUNCH PLACE, INC.Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 219,563	\$ 12,236
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	139,892	127,062
Net unrealized and realized (gains) losses on investments	(23,738)	10
Changes in operating assets and liabilities:		
Grants and contributions receivable	(58,767)	(329)
Pledges receivable, net	-	9,500
Prepaid expenses and other	(26,399)	8,661
Accounts payable	13,864	(27,395)
Accrued expenses	(47,737)	37,294
	<u>216,678</u>	<u>167,039</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities:		
Proceeds from sales of investments	711,199	142,244
Purchase of investments	(858,148)	(493,892)
Acquisition of property and equipment	(10,939)	(13,200)
	<u>(157,888)</u>	<u>(364,848)</u>
Net cash used in investing activities		
Net Change in Cash	58,790	(197,809)
Cash:		
Beginning of year	<u>124,639</u>	<u>322,448</u>
End of year	<u>\$ 183,429</u>	<u>\$ 124,639</u>
Supplemental Disclosure of Non-Cash Transaction:		
Unrealized gain	<u>\$ 21,439</u>	<u>\$ 393</u>

WOMEN'S LUNCH PLACE, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2016

(With Summarized Comparative Totals for the Year Ended June 30, 2015)

	2016						2015	
	Program Services			Total Program Services	General and Adminis- trative	Fundraising	Total	Total
Guest Services	Meals	Advocacy						
Personnel and Related:								
Salaries	\$ 288,412	\$ 237,374	\$ 322,095	\$ 847,881	\$ 94,022	\$ 270,571	\$ 1,212,474	\$ 1,181,657
Payroll taxes and fringe benefits	66,210	76,888	99,281	242,379	16,769	72,213	331,361	322,387
Total personnel and related	354,622	314,262	421,376	1,090,260	110,791	342,784	1,543,835	1,504,044
Other:								
Occupancy	125,105	93,501	52,895	271,501	14,741	27,184	313,426	294,583
Food	-	167,760	-	167,760	-	-	167,760	159,138
Program supplies	43,293	47,089	55,250	145,632	195	311	146,138	128,887
Depreciation	44,066	46,163	44,066	134,295	4,198	1,399	139,892	127,062
Professional services and consultants	13,654	8,208	7,339	29,201	65,566	39,013	133,780	116,374
Fundraising expense	-	-	-	-	-	42,526	42,526	36,917
Miscellaneous	1,807	2,485	1,590	5,882	2,831	19,460	28,173	29,279
Insurance	4,246	4,247	4,246	12,739	4,247	4,246	21,232	20,247
Equipment rental	523	3,129	6,261	9,913	6,990	92	16,995	10,556
Staff training	909	1,188	1,522	3,619	955	5,418	9,992	4,006
Office expense	996	623	941	2,560	2,304	3,202	8,066	15,678
Total other	234,599	374,393	174,110	783,102	102,027	142,851	1,027,980	942,727
Total expenses before in-kind goods and services	589,221	688,655	595,486	1,873,362	212,818	485,635	2,571,815	2,446,771
In-Kind Goods and Services:								
In-kind salaries and professional services	402,362	197,616	118,571	718,549	-	-	718,549	699,093
In-kind food, clothing, gifts and personal care	83,542	85,796	2,840	172,178	-	-	172,178	170,918
Total in-kind goods and services	485,904	283,412	121,411	890,727	-	-	890,727	870,011
Total expenses	\$ 1,075,125	\$ 972,067	\$ 716,897	\$ 2,764,089	\$ 212,818	\$ 485,635	\$ 3,462,542	\$ 3,316,782

The accompanying notes are an integral part of these statements.

WOMEN'S LUNCH PLACE, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2015

	Program Services			Total Program Services	General and Adminis- trative	Fundraising	Total
	Guest Services	Meals	Advocacy				
Personnel and Related:							
Salaries	\$ 297,803	\$ 306,273	\$ 417,858	\$ 1,021,934	\$ 48,972	\$ 110,751	\$ 1,181,657
Payroll taxes and fringe benefits	71,061	93,896	121,235	286,192	12,280	23,915	322,387
Total personnel and related	368,864	400,169	539,093	1,308,126	61,252	134,666	1,504,044
Other:							
Occupancy	107,113	106,089	69,161	282,363	4,198	8,022	294,583
Food	-	159,138	-	159,138	-	-	159,138
Program supplies	50,507	40,941	37,101	128,549	18	320	128,887
Depreciation	40,025	41,931	40,025	121,981	3,810	1,271	127,062
Professional services and consultants	25,103	21,382	16,747	63,232	32,266	20,876	116,374
Fundraising expense	-	-	-	-	-	36,917	36,917
Miscellaneous	1,377	2,022	1,190	4,589	4,385	20,305	29,279
Insurance	4,050	4,050	4,049	12,149	4,049	4,049	20,247
Equipment rental	2,207	2,047	2,207	6,461	2,048	2,047	10,556
Staff training	475	620	750	1,845	983	1,178	4,006
Office expense	1,110	1,197	1,110	3,417	3,767	8,494	15,678
Total other	231,967	379,417	172,340	783,724	55,524	103,479	942,727
Total expenses before in-kind goods and services	600,831	779,586	711,433	2,091,850	116,776	238,145	2,446,771
In-Kind Goods and Services:							
In-kind salaries and professional services	252,251	335,430	100,346	688,027	11,066	-	699,093
In-kind food, clothing, gifts and personal care	74,716	96,202	-	170,918	-	-	170,918
Total in-kind goods and services	326,967	431,632	100,346	858,945	11,066	-	870,011
Total expenses	\$ 927,798	\$ 1,211,218	\$ 811,779	\$ 2,950,795	\$ 127,842	\$ 238,145	\$ 3,316,782

The accompanying notes are an integral part of these statements.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

1. ORGANIZATION AND NONPROFIT STATUS

Organization and Mission

Women's Lunch Place, Inc. (the Organization), is a tax-exempt, not-for-profit organization dedicated to providing supports 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.

Women Served:

Guests are adult women from the Greater Boston area, of all ages, ethnicities, and life experiences. Eighty-nine percent are single unaccompanied women and about 20% are aged 65 and 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 Organizations' programs are broken out into the following categories:

Guest Services:

Daily 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.

Resource Center - 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*. Free on-site medical services are provided by doctors and nurses from *Health Care Without Walls*. There is a 10-bed nap room, showers, and laundry facilities, and the Organization provides emergency clothing and toiletries to every woman in need of basic necessities.

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. Staff visit women hospitalized or homebound, and accompany women to their medical, housing, and legal appointments.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

1. ORGANIZATION AND NONPROFIT STATUS (Continued)

Organization and Mission (Continued)

Meals:

Meals meet the nutritional needs of women with little or no other access to healthy food. The Organization strives to pack as much nutrition as possible in every meal. The breakfast buffet consists of fresh fruit, oatmeal, eggs, yogurt, grits, cottage cheese, and any lunch leftovers from the day before. Bread, margarine, jelly and peanut butter are available all day. At noon, volunteers serve a lunch of lean protein, whole grains, vegetables, salad, fruit, and dessert. From 12:30 to 2:00, guests are welcomed at the buffet to select their luncheon plate. The Organization accommodates guests' requests whenever possible, and every lunch includes a vegetarian entrée. The Organization serves over ninety different types of produce annually.

Meals are served in a community of friendship, respect, and care. Staff and volunteers are accessible and interested in speaking with guests and listening to their concerns. When a woman feels comfortable as a result of a well-cooked meal in the company of people who care about her, she is more likely to trust the Organization with providing other services.

Advocacy:

Advocates provide expert guidance with housing, domestic violence, mental health, finances, legal issues, and other critical concerns. 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 our 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*, 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.

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.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. 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).

Grants and Contributions Receivable

Grants and contributions receivable are expected to be collected within one year. The Organization has determined that no allowance for grants and contributions receivable is necessary as of June 30, 2016 and 2015. This was determined based upon collection rates and prior history with various payers.

Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance are expensed as incurred. Renewals and betterments are capitalized and depreciated. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Leasehold improvements	Life of the lease
Furniture, computers and equipment	3 – 10 years

Depreciation expense was \$139,892 and \$127,062 for the years ended June 30, 2016 and 2015, respectively.

Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Organization. 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 amounts expended and resources available for property and equipment, net of related debt.

Temporarily restricted net assets represent contributions and grants that are designated by donors for specific purposes or future time periods. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the time restrictions expire. Temporarily restricted net assets were purpose restricted at June 30, 2016 and 2015.

Revenue Recognition

Unrestricted grants, contributions and special event revenue are recognized when unconditionally pledged or received. Restricted grants and contributions are reported as temporarily restricted support and net assets (see above) 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 and changes in net assets as net assets released from restrictions.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and support and operating expenses in the accompanying statements of activities and changes in net assets. Other revenue includes investment activity.

Expense Allocations

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Special Events

Special events revenue is shown net of direct expenses in the accompanying statements of activities and changes in net assets for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Sponsorships and contributions	\$ 870,877	\$ 818,693
Special events revenue:		
Ticket revenue	50,900	47,275
Less - direct expenses	<u>(114,410)</u>	<u>(108,049)</u>
Special events revenue, net	<u>\$ 807,367</u>	<u>\$ 757,919</u>

The indirect expenses associated with special events are included in fundraising in the accompanying statements of functional expenses.

Donated Goods and Services

Volunteers and other organizations contribute goods and services to the Organization in support of various aspects of its programs. These goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, agencies, or by management.

During fiscal years 2016 and 2015, the Organization received other goods and services from various donors. The value recorded for donated goods and services is based upon the estimated value assigned by the donor and consist of the following for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Kitchen and shelter support salaries	\$ 402,526	\$ 335,430
Professional services	316,023	363,663
Food	85,796	96,202
Clothing	45,210	61,450
Flowers, gifts, household and personal care items	<u>41,172</u>	<u>13,266</u>
	<u>\$ 890,727</u>	<u>\$ 870,011</u>

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Investments

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.

A summary of inputs used in valuing the Organization's investments as of June 30, 2016 and 2015, is included in Note 3.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

All Other Assets and Liabilities

The carrying value of all other qualifying assets and liabilities does not differ materially from its estimated fair value. These qualifying assets and liabilities are considered Level 1 in the fair value hierarchy.

Subsequent Events

Subsequent events have been evaluated through November 17, 2016, which is the date the financial statements were available to be issued. See Note 5 for an event that met the criteria for recognition or disclosure in the financial statements.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2016 and 2015. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

3. 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 at fair value (see Note 2). 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 of the portfolio 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 will focus 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 in size.

The following ranges will dictate asset allocation of investments between equity, fixed income and cash:

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

WOMEN'S LUNCH PLACE, INC.Notes to Financial Statements
June 30, 2016 and 2015**3. INVESTMENTS (Continued)**

The following is a summary of investments as of June 30:

	2016			Total
	Level 1	Level 2	Level 3	
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	<u>370,422</u>	-	-	<u>370,422</u>
Total equities	921,446	-	-	921,446
Corporate bonds	-	336,886	-	336,886
Mutual funds	115,182	-	-	115,182
Money market	<u>52,585</u>	-	-	<u>52,585</u>
	<u>\$ 1,089,213</u>	<u>\$ 336,886</u>	<u>\$ -</u>	<u>\$ 1,426,099</u>
	2015			Total
	Level 1	Level 2	Level 3	
Equities:				
Industrials	\$ 91,695	\$ -	\$ -	\$ 91,695
Information technology	159,102	-	-	159,102
Healthcare	103,795	-	-	103,795
Financials	103,944	-	-	103,944
Other equity securities	<u>348,361</u>	-	-	<u>348,361</u>
Total equities	806,897	-	-	806,897
Corporate bonds	-	383,248	-	383,248
Money market	<u>65,267</u>	-	-	<u>65,267</u>
	<u>\$ 872,164</u>	<u>\$ 383,248</u>	<u>\$ -</u>	<u>\$ 1,255,412</u>

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

3. INVESTMENTS (Continued)

Investments are reported as non-current in the accompanying statements of financial position based on the Organization's intent with respect to the use of the investments.

The following summarizes the investment return for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Investment income, net of investment fees of \$13,313 and \$11,550 at June 30, 2016 and 2015, respectively	\$ 27,948	\$ 22,079
Net unrealized gains	21,439	393
Realized gains (losses)	<u>2,299</u>	<u>(403)</u>
	<u>\$ 51,686</u>	<u>\$ 22,069</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Leasehold improvements	\$ 2,799,154	\$ 2,929,339
Furniture, computers and equipment	<u>182,457</u>	<u>345,761</u>
	2,981,611	3,275,100
Less - accumulated depreciation	<u>582,330</u>	<u>746,866</u>
	<u>\$ 2,399,281</u>	<u>\$ 2,528,234</u>

5. 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, 2016 and 2015, 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. The operating leases call for minimum monthly payments ranging from \$2,671 to \$6,250 through April 2021. Rent expense related to these agreements was \$164,022 and \$163,482 for the years ended June 30, 2016 and 2015, respectively, and is included occupancy in the accompanying statements of functional expense.

Subsequent to June 30, 2016, the Organization terminated its lease agreement for its administrative office space and negotiated a new lease at 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.

WOMEN'S LUNCH PLACE, INC.

Notes to Financial Statements
June 30, 2016 and 2015

5. OPERATING LEASES (Continued)

Future minimum lease payments in the aggregate are as follows:

<u>Years</u>	<u>Equipment</u>	<u>Facility</u>	<u>Total</u>
2017	\$ 8,508	\$ 180,592	\$ 189,100
2018	8,508	176,802	185,310
2019	1,418	177,342	178,760
2020	-	177,882	177,882
2021	-	163,030	163,030
Thereafter	-	14,420	14,420
	<u>\$ 18,434</u>	<u>\$ 890,068</u>	<u>\$ 908,502</u>

6. NOTES PAYABLE

The Organization has a line of credit agreement with a bank that allows for borrowing up to \$250,000. The line of credit bears interest at the bank's floating rate (3.5% and 3.25% at June 30, 2016 and 2015, respectively), with a floor of 5%, and is secured by all business assets of the Organization. The line expires in December 2016. At June 30, 2016 and 2015, there was no outstanding balance on the line of credit.

In March 2016, the Organization entered into a second line of credit agreement with another bank that allows for borrowings up to \$500,000. The line of credit bears interest at the bank's prime rate (3.5% at June 30, 2016), and is secured by all business assets of the Organization. At June 30, 2016, there is no outstanding balance on the line of credit.

7. PENSION PLAN

The Organization maintains a tax-deferred annuity plan under IRC Section 403(b) covering all employees. The plan allows for salaried employees of the Organization to defer a percentage of their earnings based on Internal Revenue Service (IRS) guidelines. In addition, the Organization may make discretionary matching contributions. During the years ended June 30, 2016 and 2015, the Organization made matching contributions of \$48,847 and \$40,727, respectively, which are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

8. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in banks in Massachusetts. The Federal Deposit Insurance Corporation insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts at certain banks. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Approximately 95% of grants and contributions receivable are from one contributor at June 30, 2016.

9. RECLASSIFICATIONS

Certain amounts in the fiscal year 2015 financial statements have been reclassified to conform to the fiscal year 2016 presentation.