

WOMEN'S LUNCH PLACE, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

WOMEN'S LUNCH PLACE, INC.
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YEARS ENDED JUNE 30, 2013 AND 2012

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of Women's Lunch Place, Inc. (a nonprofit organization), which comprise the balance sheets at June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement; whether due to fraud or error.

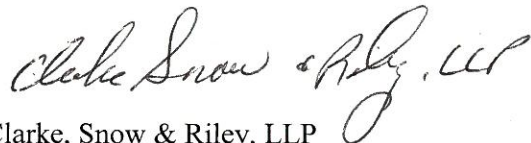
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Lunch Place, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Clarke, Snow & Riley, LLP

August 14, 2013

WOMEN'S LUNCH PLACE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
Current assets:		
Cash	\$ 810,006	\$ 329,960
Accounts and grants receivable	56,074	34,303
Capital campaign pledge receivables, net	16,500	432,734
Prepaid expenses	<u>35,878</u>	<u>34,698</u>
Total current assets	918,458	831,695
Investments	177,200	325,771
Property and equipment, at cost, net:	<u>2,727,907</u>	<u>2,837,093</u>
	<u>\$ 3,823,565</u>	<u>\$ 3,994,559</u>

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 20,327	\$ 37,803
Accrued expenses	23,200	15,142
Accrued payroll, vacation and withholdings	52,136	51,839
Capital campaign line of credit	<u>-</u>	<u>172,600</u>
Total current liabilities	95,663	277,384

Commitments and Contingencies

Net assets

Unrestricted	3,633,574	3,696,175
Temporarily restricted	<u>94,328</u>	<u>21,000</u>
Total net assets	<u>3,727,902</u>	<u>3,717,175</u>
	<u>\$ 3,823,565</u>	<u>\$ 3,994,559</u>

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

WOMEN'S LUNCH PLACE, INC.
Statement of Activities
Year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants and donations	\$ 1,949,183	\$ 242,700	\$ 2,191,883
In-kind donations	1,084,774	-	1,084,774
Interest income	7,205	-	7,205
Realized & unrealized gains on investments	1,429	-	1,429
Net assets released from restrictions	<u>167,372</u>	<u>(167,372)</u>	<u>-</u>
Total support and revenue	3,209,963	75,328	3,285,291
EXPENSES			
Program services	2,743,861	-	2,743,861
Fund-raising	392,864	-	392,864
Administration and general	135,839	-	135,839
Capital campaign	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total expenses	<u>3,272,564</u>	<u>2,000</u>	<u>3,274,564</u>
Increase (decrease) in net assets	(62,601)	73,328	10,727
Net assets, beginning of year	<u>3,696,175</u>	<u>21,000</u>	<u>3,717,175</u>
Net assets, end of year	<u>\$ 3,633,574</u>	<u>\$ 94,328</u>	<u>\$ 3,727,902</u>

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

WOMEN'S LUNCH PLACE, INC.
Statement of Activities
Year ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants and donations	\$ 1,558,870	\$ 224,790	\$ 1,783,660
In-kind donations	1,019,695	-	1,019,695
Interest income	8,460	-	8,460
Capital campaign fund	-	138,706	138,706
Realized & unrealized (losses) on investments	(1,066)	-	(1,066)
Net assets released from restrictions	3,157,921	(3,157,921)	-
Total support and revenue	5,743,880	(2,794,425)	2,949,455
EXPENSES			
Program services	2,420,383	-	2,420,383
Fund-raising	347,851	-	347,851
Administration and general	116,683	-	116,683
Capital campaign	-	47,867	47,867
Total expenses	2,884,917	47,867	2,932,784
Increase (decrease) in net assets	2,858,963	(2,842,292)	16,671
Net assets, beginning of year	837,212	2,863,292	3,700,504
Net assets, end of year	\$ 3,696,175	\$ 21,000	\$ 3,717,175

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

WOMEN'S LUNCH PLACE, INC.
Statement of Functional Expenses
Year ended June 30, 2013

	Program Services	(Development) Fund-Raising	Administration and General	Capital Campaign	Total
Salaries and payroll related expenses	\$ 1,095,697	\$ 140,359	\$ 49,531	\$ -	\$ 1,285,587
In-kind kitchen support	401,858	-	-	-	401,858
In-kind professional services	360,775	-	-	-	360,775
Occupancy	185,788	1,646	1,098	-	188,532
Fundraising expense	-	157,922	-	-	157,922
Consultants	85,678	28,380	32,233	-	146,291
Food	128,333	-	-	-	128,333
In-kind rent	73,346	20,827	20,827	-	115,000
In-kind flowers, gifts, household, and personal care items	84,394	13,409	270	-	98,073
In-kind food	85,014	-	-	-	85,014
Program supplies, travel, events, volunteers, jesuit and guest assistance	82,061	774	-	-	82,835
Office expense	17,257	20,962	15,847	-	54,066
Insurance	10,211	3,404	3,344	-	16,959
In-kind clothing	16,053	-	-	-	16,053
Staff training	3,448	4,079	975	-	8,502
In-kind administrative	-	-	8,001	-	8,001
Capital campaign	-	-	-	2,000	2,000
Total expenses before depreciation	2,629,913	391,762	132,126	2,000	3,155,801
Depreciation	113,948	1,102	3,713	-	118,763
Total expenses	<u>\$ 2,743,861</u>	<u>\$ 392,864</u>	<u>\$ 135,839</u>	<u>\$ 2,000</u>	<u>\$ 3,274,564</u>

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

WOMEN'S LUNCH PLACE, INC.
Statement of Functional Expenses
Year ended June 30, 2012

	<u>Services</u>	<u>Fund-Raising</u>	<u>and General</u>	<u>Campaign</u>	<u>Total</u>
Salaries and payroll related expenses	\$ 906,477	\$ 129,951	\$ 49,900	\$ -	\$ 1,086,328
In-kind kitchen support	433,747	-	-	-	433,747
In-kind professional services	322,735	-	-	-	322,735
Occupancy	165,565	2,196	1,865	-	169,626
Consultants	82,687	26,315	26,950	-	135,952
Food	130,838	73	32	-	130,943
In-kind rent	81,000	23,000	23,000	-	127,000
Fundraising expense	-	123,977	653	-	124,630
Program supplies, travel, events, volunteers, jesuit and guest assistance	84,256	1,444	128	-	85,828
In-kind food	80,363	-	-	-	80,363
Office expense	16,584	21,741	9,843	-	48,168
Capital campaign	-	-	-	47,867	47,867
In-kind clothing	30,975	-	-	-	30,975
In-kind flowers, gifts, household, and personal care items	9,700	14,875	300	-	24,875
Insurance	7,342	2,448	1,071	-	10,861
Staff training	<u>1,578</u>	<u>865</u>	<u>1,367</u>	<u>-</u>	<u>3,810</u>
 Total expenses before depreciation	 2,353,847	 346,885	 115,109	 47,867	 2,863,708
 Depreciation	 <u>66,536</u>	 <u>966</u>	 <u>1,574</u>	 <u>-</u>	 <u>69,076</u>
 Total expenses	 <u>\$ 2,420,383</u>	 <u>\$ 347,851</u>	 <u>\$ 116,683</u>	 <u>\$ 47,867</u>	 <u>\$ 2,932,784</u>

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

WOMEN'S LUNCH PLACE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash flows from operating activities:		
Increase in net assets	\$ 10,727	\$ 16,671
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	118,763	69,076
Realized & unrealized (gain) loss on investments	(1,429)	1,066
 (Increase) decrease in asset accounts affecting cash from operations:		
Accounts and grants receivable	(21,771)	(17,162)
Capital campaign pledge receivables, net	416,234	489,732
Prepaid expenses	(1,180)	(5,661)
Deposits	-	200
(Decrease) increase in liability accounts affecting cash from operations:		
Accounts payable	(17,476)	(17,298)
Accrued expenses	8,058	7,283
Accrued payroll, vacation and withholdings	<u>297</u>	<u>(37,403)</u>
 Net cash provided by operating activities	 512,223	 506,504
 Cash flows from investing activities:		
Sale (purchase) of investments, net	150,000	(75,000)
Acquisition of property and equipment	<u>(9,577)</u>	<u>(2,517,221)</u>
 Net cash provided (used) by investing activities	 140,423	 (2,592,221)
 Cash flows from financing activities:		
Capital campaign line of credit	<u>(172,600)</u>	<u>172,600</u>
 Net cash (used) provided by investing activities	 <u>(172,600)</u>	 <u>172,600</u>
 Net increase (decrease) in cash	 480,046	 (1,913,117)
 Cash, beginning of year	 <u>329,960</u>	 <u>2,243,077</u>
 Cash, end of year	 <u>\$ 810,006</u>	 <u>\$ 329,960</u>

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

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

Note 1. Organization and summary of significant accounting policies

Organization

Women's Lunch Place, Inc. (the Organization), is a tax-exempt, not-for-profit organization dedicated to providing support and advocacy to poor and homeless women in the greater Boston, Massachusetts area. The Organization's operations are primarily funded from donations from corporations, foundations and individuals. The Organization is also supported by approximately 350 volunteers who provide assistance throughout the Organization. The Organization is governed by a board of directors consisting of members of the community.

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

Financial statement presentation

As required by FASB Accounting Standards Codification (ASC) 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. When donor-imposed restrictions have been satisfied, a transfer is made from temporarily restricted net assets to unrestricted net assets. There are no permanently restricted net assets as of June 30, 2013 and 2012.

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

The Organization utilizes the accrual method of accounting.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

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

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

Fair value measurement

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

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

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

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

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

A financial instrument's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The investments held by the Organization as of June 30, 2013 and 2012 are Level I investments in accordance with the fair value framework under ASC 820.

Concentration of credit risk

The Organization places its cash and cash equivalents in highly rated financial institutions. As of January 1, 2013, cash balances in non-interest bearing and interest bearing accounts in aggregate are insured by the FDIC up to \$250,000. As of June 30, 2013, cash in an investment company is \$447,112 and cash in banks exceeded federally insured limits by \$112,244.

Investments

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

Property and equipment

Property and equipment are stated at cost. Maintenance, routine repairs and minor replacements are charged against operations, while those items which materially improve or extend the lives of existing assets are capitalized. Depreciation is computed using the straight-line method over the useful lives of the assets. For the years ended June 30, 2013 and 2012, depreciation expense is \$118,763 and \$69,076, respectively.

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

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

Long-lived assets

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

Contributions

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

Program services

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

Administration and fund-raising

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

Donated services and materials

A number of volunteers have made significant contributions of their time to support the Organization's work by providing transportation, supplies, food, outreach and other assistance to women. Donated materials, time and professional services are reflected as in-kind donations in the accompanying statements at their estimated value at date of receipt. The value of these services for the years ended June 30, 2013 and 2012 is as follows:

	2013	2012
Kitchen support	\$ 401,858	\$ 433,747
Professional services	360,775	322,735
Rent	115,000	127,000
Flowers, gifts, household and personal care items	98,073	24,875
Food	85,014	80,363
Clothing	16,053	30,975
Administrative	<u>8,001</u>	<u>-</u>
	<u>\$ 1,084,774</u>	<u>\$ 1,019,695</u>

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

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

Income Taxes

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

Uncertainty in income taxes

The Organization follows U.S. GAAP standards for Accounting for Uncertainty in Income Taxes which requires the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of June 30, 2013, the Organization has determined that there are no material unrecognized tax benefits to report. The Organization files income tax returns in various tax jurisdictions. These returns are generally subject to examination by tax authorities for a period of three years from the filing due date of the returns including extensions of time to file. The Organization does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

Subsequent events

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to disclose the date through which subsequent events have been evaluated for possible recognition or disclosure in the accompanying financial statements. Subsequent events are transactions or events that occur after the balance sheet date but before the financial statements are issued or available to be issued. The accompanying financial statements include the evaluation of subsequent events that have occurred through August 14, 2013 which is the date the financial statements were available to be issued.

Note 2. Pledges receivable

In 2011, the Organization commenced a capital campaign to raise funds to improve its facilities. These improvements were completed in 2012. During 2012, the Organization raised a final amount of \$148,206 which was reduced by an amount of \$9,500 to record the capital campaign income at its net realizable value of \$138,706.

As of June 30, 2013, there are \$16,500 of outstanding pledge receivables. These pledges are scheduled for payment in 2014.

Note 3. Investments

The fair value of investments totaled \$177,200 and \$325,771 at June 30, 2013 and 2012, respectively.

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

Note 3. Investments (continued)

Investments at June 30, 2013 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Gross Realized & Unrealized Gain (Loss)</u>
Mutual funds	\$ 23,650	\$ 23,452	\$ (198)
Corporate bonds	<u>152,121</u>	<u>153,748</u>	<u>1,627</u>
	<u>\$ 175,771</u>	<u>\$ 177,200</u>	<u>\$ 1,429</u>

Investments at June 30, 2012 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Gross Realized & Unrealized Gain (Loss)</u>
Mutual funds	\$ 23,650	\$ 23,650	\$ -
Corporate bonds	<u>303,186</u>	<u>302,121</u>	<u>(1,066)</u>
	<u>\$ 326,837</u>	<u>\$ 325,771</u>	<u>\$ (1,066)</u>

All investments for the years ended June 30, 2013 and 2012 are Level I.

Note 4. Property and equipment

Property and equipment for the years ended June 30, 2013 and 2012 are summarized below:

	2013	2012
Leasehold improvements	\$ 2,927,609	\$ 2,927,609
Furniture, computers and equipment	<u>296,425</u>	<u>286,848</u>
	3,224,034	3,214,457
Accumulated depreciation	<u>(496,127)</u>	<u>(377,364)</u>
Property and equipment – net	<u>\$ 2,727,907</u>	<u>\$ 2,837,093</u>

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

Note 5. Commitments

The Organization leases building space and office equipment under operating lease agreements. The operating leases call for minimum monthly rental payments ranging from approximately \$610 to \$4,665. The operating leases expire on various dates through April 2021.

The Organization's administrative office has been provided rent free for the period April 2011 through March 2014. The annual value of this free rent is \$115,000. In addition, the Organization received free rent, totaling \$12,000, for July and August 2011 for its shelter location.

At June 30, 2013, future minimum rental payments in the aggregate are as follows:

Years	Equipment	Rent	In-Kind Rent	Total
2014	\$ 7,320	\$ 88,122	\$ 86,250	\$ 181,692
2015	5,490	88,662	-	94,152
2016	-	89,202	-	89,202
2017	-	89,742	-	89,742
2018	-	90,282	-	90,282
Thereafter	<u>-</u>	<u>258,694</u>	<u>-</u>	<u>258,694</u>
	<u>\$ 12,810</u>	<u>\$ 704,704</u>	<u>\$ 86,250</u>	<u>\$ 803,764</u>

Rent expense is \$87,402 and \$72,460 for the years ended June 30, 2013 and 2012, respectively. In-kind rent expense is \$115,000 and \$127,000 for the years ended June 30, 2013 and 2012, respectively.

Note 6. Notes payable, bank

The Organization has a line of credit agreement with a bank for operating costs that allows for borrowing up to \$200,000. The line of credit bears interest at the bank's floating rate with a floor of 5% and is secured by certain unrestricted investments of the Organization. At June 30, 2013 and 2012, there is no amount outstanding on the line of credit.

During 2011, the Organization entered into a capital campaign non-revolving line of credit agreement with a bank that allows for borrowing up to \$1,250,000. In February 2013, this line of credit was paid in full. The outstanding amount on the capital campaign line of credit at June 30, 2012 is \$172,600.

Note 7. Retirement plan

The Organization has a tax sheltered account (TSA) retirement plan under Section 403 (b) of the Internal Revenue Code. Employees may contribute a portion of their salaries up to a maximum amount based on IRS guidelines. In addition, the Organization may make discretionary matching contributions. During the years ended June 30, 2013 and 2012, the Organization made matching contributions totaling \$40,510 and \$33,144, respectively.

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

Note 8. Temporarily restricted net assets

At June 30, 2013 and 2012, temporarily restricted net assets consist of the following:

	2013	2012
Meals program	\$ 57,226	\$ -
Elder services	19,055	21,000
Capital improvements	<u>18,047</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 94,328</u>	<u>\$ 21,000</u>