



MY BROTHER'S TABLE, INC.

**REPORT ON AUDIT
OF FINANCIAL STATEMENTS**

MARCH 31, 2021 AND 2020

MY BROTHER'S TABLE, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
My Brother's Table, Inc.

We have audited the accompanying financial statements of My Brother's Table, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 My Brother's Table, Inc. as of March 31, 2021, 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.



Report on Summarized Comparative Information

We have previously audited My Brother's Table, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Topsfield, Massachusetts
October 29, 2021

MY BROTHER'S TABLE, INC.

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

	<u>ASSETS</u>	
	2021	2020
Cash and cash equivalents, substantially all in interest bearing accounts	\$ 791,359	\$ 205,902
Investments	1,358,038	938,576
Inventories, at the lower of cost or market value	96,988	100,841
Deposit and prepaid expenses	28,232	16,651
Cash restricted for fiscal agency	21,971	109,602
Cash and investments restricted for long-term investment	122,027	107,611
Fixed assets, net	186,558	140,669
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,605,173	\$ 1,619,852
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities -		
Accounts payable and accrued expenses	\$ 115,515	\$ 45,464
Agency liability	21,971	109,602
	<hr/>	<hr/>
TOTAL LIABILITIES	137,486	155,066
	<hr/>	<hr/>
Net assets:		
Without donor restrictions:		
Operating	1,510,336	517,999
Board-designated	735,000	735,000
With donor restrictions	222,351	211,787
	<hr/>	<hr/>
Total net assets	2,467,687	1,464,786
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TOTAL LIABILITIES AND NET ASSETS	\$ 2,605,173	\$ 1,619,852
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The accompanying notes are an integral part of these financial statements.

MY BROTHER'S TABLE, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
OPERATING SUPPORT AND REVENUES:				
In-kind donations	\$ -	\$ 1,194,430	\$ 1,194,430	\$ 566,528
Contributions, promises to give and memorials	1,244,174	500	1,244,674	462,331
Special events, net of costs of direct benefits	96,654	-	96,654	226,070
Grants	196,150	80,500	276,650	48,138
Net gain (loss) on investments	206,258	14,405	220,663	(56,133)
Investment income, net	19,915	58	19,973	25,375
	1,763,151	1,289,893	3,053,044	1,272,309
Net assets released from program restrictions	1,279,329	(1,279,329)	-	-
Total support and revenues	3,042,480	10,564	3,053,044	1,272,309
OPERATING EXPENSES:				
PROGRAM SERVICES:				
Food	1,698,797	-	1,698,797	937,810
Volunteer	82,332	-	82,332	73,054
Advocacy	74,110	-	74,110	52,093
Total program services	1,855,239	-	1,855,239	1,062,957
SUPPORT SERVICES:				
Management and general	111,052	-	111,052	109,092
Fundraising	86,852	-	86,852	85,616
Total support services	197,904	-	197,904	194,708
Total operating expenses	2,053,143	-	2,053,143	1,257,665
CHANGE IN NET ASSETS FROM OPERATIONS	989,337	10,564	999,901	14,644
NON-OPERATING ACTIVITIES -				
Capital contributions and grants	-	3,000	3,000	6,228
Net assets released from restrictions, non-operating	3,000	(3,000)	-	-
Total non-operating activities	3,000	-	3,000	6,228
TOTAL CHANGES IN NET ASSETS	992,337	10,564	1,002,901	20,872
NET ASSETS, BEGINNING OF YEAR	1,252,999	211,787	1,464,786	1,443,914
NET ASSETS, END OF YEAR	\$ 2,245,336	\$ 222,351	\$ 2,467,687	\$ 1,464,786

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

MY BROTHER'S TABLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative totals for 2020)

	Food	Volunteer	Advocacy	Management and General	Fundraising	2021 Totals	2020 Totals
Direct food costs:							
Food	\$ 1,212,430	\$ -	\$ -	\$ -	\$ -	\$ 1,212,430	\$ 533,976
Salaries and contract	62,268	-	-	-	-	62,268	43,337
Supplies	52,452	-	-	-	-	52,452	40,384
Total direct food costs	1,327,150	-	-	-	-	1,327,150	617,697
Payroll costs:							
Salaries and wages	146,183	58,868	52,714	39,556	31,093	328,414	254,714
Payroll taxes and benefits	40,557	11,453	10,256	7,696	6,050	76,012	62,222
Total payroll costs	186,740	70,321	62,970	47,252	37,143	404,426	316,936
Other costs:							
Occupancy	136,201	6,196	6,196	7,746	6,196	162,535	143,806
Other costs	2,041	803	-	1,864	6,766	11,474	51,141
Office expense	761	2,263	2,263	35,485	12,487	53,259	45,231
Professional fees	-	-	-	12,652	19,182	31,834	21,985
Depreciation	12,318	523	523	523	523	14,410	18,262
Insurance	12,983	1,574	1,574	1,967	1,574	19,672	18,239
Repairs and maintenance	18,295	-	-	240	-	18,535	16,594
Telephone	2,308	652	584	438	344	4,326	4,240
Printing and postage	-	-	-	2,885	2,637	5,522	3,534
Total other costs	184,907	12,011	11,140	63,800	49,709	321,567	323,032
Costs of direct benefits to donors	-	-	-	-	27,887	27,887	22,093
Total expenses by function	1,698,797	82,332	74,110	111,052	114,739	2,081,030	1,279,758
Less items included within support and revenues	-	-	-	-	(27,887)	(27,887)	(22,093)
Total expenses per Statement of Activities	\$ 1,698,797	\$ 82,332	\$ 74,110	\$ 111,052	\$ 86,852	\$ 2,053,143	\$ 1,257,665

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

MY BROTHER'S TABLE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets from operations	\$ 999,901	\$ 14,644
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	14,410	18,262
Unrealized (gain) loss in market value of investments	(193,563)	56,988
Realized gain on sale of investments	(27,100)	(855)
Cash provided by (used in) changes in:		
Inventories	3,853	(10,477)
Deposit and prepaid expenses	(11,581)	1,721
Accounts payable and accrued expenses	70,051	(4,762)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	855,970	75,521
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(60,299)	(16,443)
Proceeds of investment sales	235,532	579,967
Purchases of investments	(763,656)	(289,453)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(588,423)	274,071
CASH FLOWS FROM FINANCING ACTIVITIES -		
Capital contributions and grants	3,000	6,228
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	270,547	355,820
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING	634,823	279,003
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING	\$ 905,370	\$ 634,823

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

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

1. **OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES:**

OPERATIONS:

My Brother's Table, Inc., "The Table," (a Massachusetts corporation, not for profit) is a social service agency supporting the poor and hungry of Lynn, Massachusetts and surrounding communities through its food, volunteer, and advocacy programs. The Table's programs include:

Food Programs - The Table served over 920,000 free meals last year. Dinner is served 365 days a year and lunch is served Monday through Friday. These meals are served by volunteer groups and individuals. In addition to meals served on-site, the Table provides meals to those incarcerated by the city each weekend and holidays; to those who are homebound due to chronic illness or disability; to seniors through the Greater Lynn Senior Services Community Café; to families through a community support program; and to young mothers and their children through a community day care center. Once a week, guests can meet with volunteer medical staff through the Table's free medical clinic and receive basic medical care and personal care items.

Volunteer Programs - The Table coordinates the scheduling of hundreds of volunteer groups and individuals in administering its food programs. In addition, the Table provides supervised placements for people of all ages performing court-ordered and school community service. Still others are placed at the Table for job training experience at no cost to the Table. The Table also sponsors *ServeSafe* certification for community service participants.

Advocacy Programs - The Table makes hundreds of referrals each year to other agencies and programs so that guests might receive necessary services. The Table participates in several local coalitions that support the rights, as well as, the health and nutritional needs of Lynn residents including Lynn CoC, Lynn Nonprofit Business Association, New Lynn Coalition, Lynn Health Task Force and the Lynn Hunger Network. The Table also operates a free episodic health care clinic that provides immunizations, wellness testing and instruction, over the counter medications, wound care, foot care and other short-term medical treatment.

SIGNIFICANT ACCOUNTING POLICIES:

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total by not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Table's financial statements ended March 31, 2020, from which the summarized information was derived.

Management's Review

Management has evaluated events and transactions for potential recognition or disclosure through October 29, 2021, the date the financial statements were available to be issued.

Use of 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. Actual results could differ from those estimates.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash Equivalents

For the purpose of presentation in the statements of cash flows, the Table considers liquid temporary investments with original maturities of 90 days or less to be cash equivalents. Cash equivalents consist of money market accounts. The Table maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Table has not experienced any losses in such accounts. The Table believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial Statement Presentation

The Table classifies net assets, revenues, gains and losses based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions represent the portion of net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, \$735,000 for future equipment replacement or building acquisition costs.
- Net assets with donor restrictions represent the portion of net assets subject to donor- (or certain grantor-) imposed restrictions. Certain donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources to be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). The levels of the fair value hierarchy are described below:

Level I: are quoted prices in active markets for identical investments at the reporting date. The type of investments generally included in this category includes listed equities and mutual funds.

Level II: are inputs (other than quoted prices in active markets included within Level I), which are either directly or indirectly observable at the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds, less liquid and restricted equity securities, and certain over-the-counter derivatives.

Level III: are unobservable inputs for the investment and include situations where there is little, if any, market activity for the investment.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

Investments (continued)

All investments include listed equity or debt instruments which are publicly traded, and whose fair value is therefore classified and disclosed as Level I. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment income, primarily interest and dividends, is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Realized and unrealized gains and losses are determined on the basis of specific identification and recognized on a trade-date basis.

Contribution and Grant Revenue

Contributions, including unconditional promises to give, are recorded as public support and net assets without donor restrictions when received. Grants and contributions received with restrictions placed on their designated program use are recorded in the accompanying financial statements as net assets with donor restrictions.

Unconditional Promises to Give

Unconditional promises to give (contributions) are recorded in the financial statements as receivables and revenue of the appropriate net asset category in the year the unconditional promise is made.

In-kind Food Donations and Food Inventories

The Table provides a daily dinner program and an additional weekday lunch program on site, a dinner shuttle program for those individuals who are unable to come to the Table's dining room because of chronic illness or disability, and issues surplus food to other community non-profit agencies. Donated food and related supplies are solicited and goods are received, stored and prepared for program use at The Table. Upon receipt of certain foods, specifically those received from the Greater Boston Food Bank, The Table receives an invoice indicating the contents and fair market value of the donation. All other foods and related supplies received, including catered meals provided and served by volunteer organizations, are valued at their fair market value obtained by reference to supplier price lists by product weight.

At March 31, 2021 and 2020, the fair value of food and related supply inventories in storage was \$96,988 and \$100,841, respectively.

In-kind food, meals and kitchen supplies are reflected in the accompanying financial statements, based upon the fair value assigned, as temporarily restricted in-kind donations.

(Continued)

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

1. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*:

Donated Services

The success of The Table's food programs is dependent upon the non-specialized services of volunteers from the community, area schools and churches in the preparation and delivery of meals. The value of these particular services has not been recorded in the accompanying financial statements because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

During the fiscal years ended March 31, 2021 and 2020, the Table received donated professional services (legal, medical, financial and other) in the amount of \$8,630 and \$43,965, respectively. These contributions are reflected in in-kind contributions and other costs in the related Statement of Activities and Statement of Functional Expenses, respectively.

Depreciation

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value. The Table provides for depreciation of its fixed assets using accelerated and straight-line methods over estimated useful lives of five to thirty one and one half years. Purchases of capital goods exceeding \$1,000 are capitalized.

Maintenance and repairs are charged to expense in the period incurred. The cost and accumulated depreciation of assets retired or sold are removed from the statement of financial position and any gain or loss is credited or charged to income.

Impairment of Long-Lived Assets

The Table has given consideration to impairment of its long-lived assets in its presentation of these financial statements. The Table has not recognized any reduction in the carrying value of its property.

Functional Expenses

The Table allocates expenses on a functional basis amongst its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly to those programs. The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses common to several functions are allocated in accordance with the Organization's indirect costs allocation plan. Supporting services are those costs related to operating and managing the Organization and its programs on a day-to-day basis and are designated as general and administrative.

The allocation of functional expenses is based on management's discretion, time studies and estimates. These variables may change from year to year. As a result, there may be a fluctuation in the comparative presentation of data from year to year.

(Continued)

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

1. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*:

Tax Status

The Table was incorporated under the provisions of Chapter 180 of the General Laws of the Commonwealth of Massachusetts. The Table is a nonprofit organization exempt from federal income taxes (not a private foundation) under section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to The Table within the Internal Revenue Code regulations. Information returns filed remain subject to review by the Internal Revenue Service and the state of Massachusetts generally for three years from the filing date.

Uncertainty of Income Taxes

The primary tax positions made by the Table are the existence of unrelated business income and the Table's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Table currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. For the years presented, the Table has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation.

2. **CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2021	2020
Cash and cash equivalents	\$ 791,359	\$ 205,902
Unrestricted cash equivalents included in investments	92,931	369,032
Restricted cash equivalents included in investments	21,080	59,889
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 905,370</u>	<u>\$ 634,823</u>

3. **FIXED ASSETS**

Fixed assets are comprised of the following at March 31, 2021 and 2020:

	2021	2020
Equipment	\$ 171,444	\$ 171,444
Leasehold improvements	232,120	209,576
Office furniture and equipment	123,421	85,666
Delivery vehicles	42,285	42,285
	<u>569,270</u>	<u>508,971</u>
Less accumulated depreciation	382,712	368,302
Fixed assets, net	<u>\$ 186,558</u>	<u>\$ 140,669</u>

(Continued)

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

4. INVESTMENTS

Fair value measurement was determined using Level I inputs and as of March 31, 2021 and 2020 and investments consist of the following:

	2021		2020	
	Cost	Market	Cost	Market
Cash equivalents	\$ 114,011	\$ 114,011	\$ 428,921	\$ 428,921
Common stocks	189,398	280,740	132,999	140,069
Equity mutual funds, ETFs, CEFs	878,063	985,004	398,553	389,325
Fixed income	98,189	100,310	78,872	87,872
	<u>\$ 1,279,660</u>	<u>\$ 1,480,065</u>	<u>\$ 1,039,345</u>	<u>\$ 1,046,187</u>

The portfolio is diversified by type of investment and industry concentration so that no individual investment or group of investments represents a significant concentration of market risk.

Net gain on investments for the years ended March 31, 2021 and 2020 is comprised of the following:

	2021	2020
Unrealized gain (loss) in market value of investments	\$ 193,563	\$ (56,988)
Realized gain on sale of investments	27,100	855
Net gain on investments	<u>\$ 220,663</u>	<u>\$ (56,133)</u>

At March 31, 2021 and 2020, investments with a fair value of \$122,027 and \$112,348, respectively, (see below) have been restricted by the donors for long-term investment (endowment). At March 31, 2021 and 2020, there were no deficiencies for donor-restricted endowment funds for which the fair value of the investments was less than the level required by donor stipulation or by law.

Investment income (dividends and interest) is presented net of investment fees of \$11,927 at March 31, 2021.

5. BENEFICIAL INTEREST IN PERPETUAL TRUST

The Table is a named beneficiary of the Joseph L. Amodeo Trust held by a third party trustee for the benefit of the Table and other not-for-profit organizations. The trustee calculates distributions by applying a “yield equivalency rate” (currently up to 4.5%) to the 12 quarter average of the trust’s fair market value. Distributions are made quarterly to the beneficiaries and are reported by the Table as unrestricted income. For the years ended March 31, 2021 and 2020, the Table recognized trust income distributions of \$22,970 and \$17,137, respectively.

6. ASSETS RESTRICTED FOR LONG-TERM INVESTMENT

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board and expended. UPMIFA allows the Board to appropriate any amount it deems prudent, in the absence of a donor’s expressed intent, after considering the duration and preservation of the net assets, the purpose of the net assets, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the Table, and the Table’s investment policy.

(Continued)

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

7. ASSETS RESTRICTED FOR LONG-TERM INVESTMENT *(continued)*

At March 31, 2021, the principal value of donor-imposed restricted assets is \$74,682. Changes in permanently restricted net assets were as follows:

	2021		2020	
	Cash	Investments	Cash	Investments
Balance, beginning of year	\$ 59,889	\$ 47,722	\$ 46,531	\$ 65,817
Transfers/contributions	(38,815)	38,815	13,343	(13,343)
Investment income, net	6	5	15	2,162
Realized gain	-	-	-	1,927
Unrealized gain (loss)	-	14,405	-	(8,841)
Appropriation for expenditure	-	-	-	-
Balance, end of year	<u>\$ 21,080</u>	<u>\$ 100,947</u>	<u>\$ 59,889</u>	<u>\$ 47,722</u>

Restricted assets are comprised of donor-restricted funds for long-term purposes. The Table invests primary in equity and fixed income mutual funds and money market funds.

Investment income and gains on assets restricted for long-term investment have been classified as temporarily restricted until appropriated for expenditure by the Table's Board of Directors (see Note 8). The Table has been accumulating the investment returns of its permanently restricted investment portfolio and spending the investment returns of its cash portfolio.

To satisfy its rate of return objectives, the Table relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Table maintains a diversified asset allocation across both equity-based and fixed income investments to achieve its long-term objectives within prudent risk constraints.

8. RENT AND SUBSEQUENT EVENT

The Table rents its premises from the City of Lynn, MA, as a tenant-at-will since December 31, 2020. Monthly rent and common expense rent is \$3,911 per month and is adjusted annually for changes in CPI. The Table is responsible for its own occupancy costs. Rent was \$46,928 and \$46,851 for the years ended March 31, 2021 and 2020, respectively.

On June 8, 2021, the City (of Lynn) Council voted unanimously to accept a proposal by the Table to purchase the 17,664 square foot Lynn Multi-Service Center at 100 Willow Street in Lynn, together with a parking lot located at 57-61 Liberty Street in Lynn. A \$500,000 bid was accepted. Pending the outcome of a due diligence period, the closing will be scheduled for late 2021. Building repairs and improvements are expected to exceed \$1 million.

In addition to the Table, the Lynn homeless shelter, an office for the Essex County Sheriff's Department and Health Innovations are also tenants in the building.

Included in deposit and prepaid expenses on the Statement of Financial Position at March 31, 2021, is a bid deposit of \$10,000.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2021	2020
Inventory to be used in food program	\$ 96,988	\$ 100,841
Unappropriated gains on permanently restricted net assets	47,345	32,928
Grants restricted for the purchase of infant formula	3,336	3,336
	<u>\$ 147,669</u>	<u>\$ 137,105</u>

Permanently restricted net assets of \$74,682 consist of endowment fund assets to be held in perpetuity with income available to support the Table's general program activities (see Note 5).

10. RETIREMENT PLAN

The Table offers a SIMPLE (Savings Incentive Match Plan for Employees) retirement plan under section 408(p) of the Internal Revenue Code to all eligible employees. For each calendar year, the Table contributes a matching contribution to each eligible employee's account equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. All contributions to the plan are fully vested and non-forfeitable. For the years ended March 31, 2021 and 2020, the Table made matching contributions of \$5,342 and \$4,661, respectively. Included in accrued expenses at March 31, 2021 and 2020 are \$553 and \$349, respectively, in retirement matching contributions.

11. SIGNIFICANT CONCENTRATIONS OF RISK

The Table's portfolio of common stocks and mutual funds have a fair market value at March 31, 2021 of \$1,366,054; representing 52% of its total asset base. The fair market value of these investments is not federal-insured and is subject to market fluctuation.

The Table received approximately 72% and 85% in 2021 and 2020, respectively, of its in-kind revenue from the Greater Boston Food Bank.

12. RECENT ACCOUNTING PRONOUNCEMENTS

On July 1, 2019, the Table adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods and services. The guidance follows a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Adoption of this standard had no significant impact on the financial statements.

(Continued)

MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

12. RECENT ACCOUNTING PRONOUNCEMENTS *(continued)*

The Table adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendment clarifies guidance on how an entity determines whether a transfer of assets is a contribution or exchange transaction. The amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. The amendment has been applied using the modified prospective method. Adoption of this standard had no significant impact on the financial statements.

The Table also adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the Statement of Activities and provide additional disclosures about contributions of nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets an entity has received. Adoption of this standard had no significant impact on the financial statements.

During the year ended March 31, 2020, the Table implemented ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The new standard requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The ASU requires additional disclosure to reconcile such totals to the amounts on the balance sheet and disclose the nature of the restrictions.

13. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 791,359	\$ 205,902
Investments	623,037	203,576
	<u>\$ 1,414,396</u>	<u>\$ 409,478</u>

Board-designated assets of \$735,000 are not included above due to spending limitations; however, these amounts could be made available, if necessary.

As part of the Table's liquidity management plan, excess cash is invested in common stock, mutual funds, ETFs, CEFs, and fixed income securities.

14. FUNCTIONAL EXPENSE ALLOCATION

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square foot basis, as well as salaries and wages, payroll taxes and benefits, food, supplies, office expenses, professional fees, insurance, repairs and maintenance, telephone, printing and postage, and other program costs, which are allocated on the basis of time and effort.

(Continued)

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15. INDEMNIFICATION

The Table's governing document provides that the Table indemnify its officers and directors for certain events or occurrences that happen by reason of the fact that the officer or director is, was, or has agreed to serve as an officer or director of the Table. The maximum potential amount of future payments the Table could be required to make under these indemnification agreements is unlimited. The Table may also enter into other indemnification agreements in the normal course of business. As of March 31, 2021, the Table had not experienced any losses related to these indemnification obligations, and no claims with respect thereto were outstanding.

16. COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. Management is closely monitoring its liquidity and actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Table's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Table's employees, volunteers, and vendors, all of which at present, cannot be determined. The widespread launch of mass COVID-19 vaccinations has begun in Massachusetts, however, the ultimate success of the vaccine and the length of time to complete the vaccination process is also unknown at this time. Accordingly, the extent to which COVID-19 may impact the Table's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.