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MY BROTHER'S TABLE, INC.

**REPORT ON AUDIT
OF FINANCIAL STATEMENTS**

MARCH 31, 2016 AND 2015

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MY BROTHER'S TABLE, INC.

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015**

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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 corporation, not for profit) which comprise the statements of financial position as of March 31, 2016, 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 U.S. generally accepted accounting principles; 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 audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform our 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 misstatements 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, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.



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Report on Summarized Comparative Information

We have previously audited My Brother's Table, Inc.'s 2015 financial statements, and our report dated September 28, 2015, expressed an unqualified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Topsfield, Massachusetts
September 22, 2016

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MY BROTHER'S TABLE, INC.

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents, substantially all in interest bearing accounts	\$ 1,094,499	\$ 883,008
Investments	413,199	457,233
Contributions receivable	-	253,490
Inventories, at the lower of cost or fair market value	90,054	79,192
Deposit and prepaid expenses	25,381	23,231
Investments restricted for long-term investment	88,195	93,369
Fixed assets, net	173,507	136,269
 TOTAL ASSETS	 <u>\$ 1,884,835</u>	 <u>\$ 1,925,792</u>

LIABILITIES AND NET ASSETS

Liabilities -		
Accounts payable and accrued expenses	\$ 51,988	\$ 40,165
Net assets:		
Unrestricted:		
Operating	180,540	231,007
Board-designated	1,181,875	1,181,875
Temporarily restricted	395,750	398,413
Permanently restricted	74,682	74,332
 Total net assets	 <u>1,832,847</u>	 <u>1,885,627</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,884,835</u>	 <u>\$ 1,925,792</u>

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, 2016
(with comparative totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
SUPPORT AND REVENUES:					
In-kind donations	\$ -	\$ 487,509	\$ -	\$ 487,509	\$ 493,125
Contributions, promises to give and memorials	479,807	1,050	350	481,207	892,234
Special events, net of costs of direct benefits	95,380	-	-	95,380	87,718
Grants	56,695	26,000	-	82,695	56,000
Net gain (loss) on investments	(42,738)	(9,409)	-	(52,147)	3,972
Investment income	30,131	4,590	-	34,721	30,117
	619,275	509,740	350	1,129,365	1,563,166
Net assets released from program restrictions	512,403	(512,403)	-	-	-
Total support and revenues	1,131,678	(2,663)	350	1,129,365	1,563,166
EXPENSES:					
PROGRAM SERVICES:					
Food	856,996	-	-	856,996	831,422
Volunteer	86,763	-	-	86,763	75,388
Advocacy	45,417	-	-	45,417	46,001
Total program services	989,176	-	-	989,176	952,811
SUPPORT SERVICES:					
Management and general	101,214	-	-	101,214	84,859
Fundraising	91,755	-	-	91,755	86,447
Total support services	192,969	-	-	192,969	171,306
Total expenses	1,182,145	-	-	1,182,145	1,124,117
CHANGE IN NET ASSETS	(50,467)	(2,663)	350	(52,780)	439,049
NET ASSETS, BEGINNING OF YEAR	1,412,882	398,413	74,332	1,885,627	1,446,578
NET ASSETS, END OF YEAR	\$ 1,362,415	\$ 395,750	\$ 74,682	\$ 1,832,847	\$ 1,885,627

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, 2016
(with comparative totals for 2015)

	Food	Volunteer	Advocacy	Management and General	Fundraising	2016 Totals	2015 Totals
Direct food costs:							
Food	\$ 483,045	\$ -	\$ -	\$ -	\$ -	\$ 483,045	464,936
Supplies	34,408	-	-	-	-	34,408	30,819
Salaries	60,225	-	-	-	-	60,225	57,633
Total direct food costs	577,678	-	-	-	-	577,678	553,388
Payroll costs:							
Salaries and wages	83,368	58,183	27,679	36,288	51,755	257,273	233,752
Payroll taxes and benefits	27,481	11,135	5,297	6,945	9,905	60,763	67,734
Total payroll costs	110,849	69,318	32,976	43,233	61,660	318,036	301,486
Other costs:							
Occupancy	112,510	6,051	6,051	7,563	6,051	138,226	124,159
Printing and postage	-	-	-	2,003	6,348	8,351	10,114
Depreciation	16,660	383	383	382	382	18,190	12,017
Repairs and maintenance	14,999	-	-	3,245	-	18,244	15,477
Other program costs	11,646	5,720	756	5,616	1,200	24,938	17,639
Insurance	11,081	1,343	1,343	1,679	1,343	16,789	14,271
Professional fees	-	-	-	14,750	-	14,750	9,000
Office expense	160	3,375	3,635	22,386	14,261	43,817	39,392
Telephone	1,413	573	273	357	,510	3,126	3,138
Total other costs	168,469	17,445	12,441	57,981	30,095	286,431	245,207
Total expenses	\$ 856,996	\$ 86,763	\$ 45,417	\$ 101,214	\$ 91,755	\$ 1,182,145	\$ 1,100,081

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

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MY BROTHER'S TABLE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (52,780)	\$ 439,049
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,190	12,017
Unrealized (gain) loss in market value of investments	67,300	(364)
Realized gain on sale of investments	(15,153)	(3,608)
Cash provided by (used in) changes in:		
Contributions receivable	253,490	(253,490)
Inventories	(10,862)	(13,765)
Deposit and prepaid expenses	(2,150)	(1,766)
Accounts payable and accrued expenses	11,823	(4,778)
	<u>269,858</u>	<u>173,295</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(55,428)	(75,080)
Proceeds of investment sales	77,800	50,307
Purchases of investments	(80,739)	(170,417)
	<u>(58,367)</u>	<u>(195,190)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	211,491	(21,895)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>883,008</u>	<u>904,903</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,094,499</u>	<u>\$ 883,008</u>

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

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

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 147,000 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 Cafe and to families participating in the REAL literacy program. 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 community service. Still others are placed at the Table for job training experience at no cost to the Table.

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 PACT, Lynn Nonprofit Business Association 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 of the prior year, from which the summarized information was derived.

Management's Review

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 22, 2016, 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, 2016 AND 2015
(Continued)

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 reports 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. These classifications are related to the existence or absence of donor imposed restrictions as follows:

- Unrestricted net assets represent the portion of net assets of the Table that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. The Board of Directors has designated \$994,375 of unrestricted net assets as to use. Board approval is required to appropriate those assets for expenditure.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Table is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Table pursuant to those stipulations.
- Temporarily restricted net assets also include, under Massachusetts law, cumulative appreciation and reinvested gains on permanently restricted endowment funds that are subject to prudent appropriation by the Board of Directors in accordance with provisions of Massachusetts law.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Table is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Table.

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 three 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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015
(Continued)

SIGNIFICANT ACCOUNTING POLICIES *(continued)*:

Investments *(continued)*

Level III: are unobservable inputs for the investment and include situations where there is little, if any, market activity for the investment. Investments which are generally included in this category include private equity funds, hedge funds, partnerships and limited liability companies.

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

Unrestricted contributions are recorded as public support and unrestricted net assets when received. Grants and contributions received with restrictions placed on their designated program use are recorded in the accompanying financial statements as temporarily restricted net assets. Grants and contributions received with restrictions placed on their use for the purchase of long-lived assets are recorded in the accompanying financial statements as temporarily restricted net assets. Grant revenue is recorded over the period covered by the grant as expenses related directly to the grant are incurred, or in the case of grants for the purchase of long-lived assets, revenue is recorded over the related useful life of the asset purchased.

It is the Table's policy to apply a time restriction, based on a long-lived asset's useful life, on donations to be used to acquire long-lived assets. Accordingly, those donations are recorded as increases in temporarily restricted net assets. The Table reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the long-lived asset.

Unconditional Promises to Give

Unconditional promises to give (contributions) are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. All pledges are expected to be collected in one year.

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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015
(Continued)

SIGNIFICANT ACCOUNTING POLICIES *(continued)*:
In-kind Food Donations and Food Inventories *(continued)*

At March 31, 2016 and 2015, the fair value of food and related supply inventories in storage was \$90,054 and \$79,192, 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.

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, 2016 and 2015, the Table received donated professional services (legal, medical, financial and other) in the amount of \$13,862 and \$12,313, respectively. These contributions are reflected in in-kind contributions and other program 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 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.

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 for the fiscal years 2015, 2014 and 2013 remain subject to review by the Internal Revenue Service and the state of Massachusetts.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015
(Continued)

SIGNIFICANT ACCOUNTING POLICIES *(continued)*:

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. CONTRIBUTIONS RECEIVABLE

During 2015, a donor made a bequest naming the Table a beneficiary of her estate. After final settlement costs of her estate, the Table received approximately \$245,000 in the 2016 fiscal year.

3. FIXED ASSETS

Fixed assets are comprised of the following at March 31, 2016 and 2015:

	2016	2015
Equipment	\$ 136,395	\$ 136,395
Leasehold improvements	193,799	158,829
Office furniture and equipment	83,141	62,683
Delivery vehicles	42,285	42,285
	455,620	400,192
Less accumulated depreciation	282,113	263,923
Fixed assets, net	\$ 173,507	\$ 136,269

4. INVESTMENTS

Fair value measurement was determined using Level I inputs and as of March 31, 2016 and 2015 and investments consist of the following:

	2016		2015	
	Cost	Market	Cost	Market
Common stocks	\$ 2,012	\$ 2,346	\$ 1,866	\$ 1,903
Cash equivalents	34,269	34,269	7,181	7,181
Equity mutual funds	503,408	490,626	486,311	540,429
Fixed income mutual funds	6,338	7,090	5,903	7,353
	\$546,027	\$534,331	\$501,261	\$556,866

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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015
(Continued)

4. INVESTMENTS (continued):

Net gain on investments for the years ended March 31, 2016 and 2015 is comprised of the following:

	2016	2015
Unrealized gain (loss) in market value of investments	\$(67,300)	\$ 364
Realized gain on sale of investments	15,153	3,608
Net gain (loss) on investments	\$(52,147)	\$3,972

At March 31, 2016 and 2015, investments with a fair value of \$88,195 and \$93,369, respectively, (see below) have been restricted by the donors for long-term investment (endowment). At March 31, 2016 and 2015, 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.

5. BENEFICIAL INTEREST IN PEPETUAL 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, 2016 and 2015, the Table recognized trust income distributions of \$19,164 and \$23,385, 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.

At March 31, 2016, the principal value of donor-imposed restricted assets is \$74,682. Changes in permanently restricted net assets were as follows:

	2016		2015	
	Cash	Investments	Cash	Investments
Balance, beginning of year	\$ 916	\$92,453	\$ -	\$91,712
Transfers/contributions	417	(772)	916	(509)
Investment income	-	4,590	-	4,539
Realized gain	-	3,700	-	1,003
Unrealized loss	-	(13,109)	-	(792)
Appropriation for expenditure	-	-	-	(3,500)
Balance, end of year	\$1,333	\$86,862	\$916	\$92,453

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015
(Continued)

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

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 7). 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.

7. **LEASE COMMITMENT**

The Table leases its premises from the City of Lynn, MA, under the terms of an operating lease which expires April 30, 2017. The lease automatically renews for an additional three year term unless the Table is in default. Monthly base rent and common expense rent under the lease agreement is \$3,046 per month and is adjusted annually for adjustments in CPI. The Table is responsible for its own occupancy costs.

Future minimum lease obligations, without consideration for annual inflation increases, are \$36,552 per year.

8. **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	2016	2015
Grants restricted for the purchase of long-lived assets	\$288,848	\$301,298
Inventory to be used in food program	90,054	79,192
Unappropriated gains on permanently restricted net assets	13,512	14,587
Grants restricted for the purchase of infant formula	3,336	3,336
	<u>\$395,750</u>	<u>\$398,413</u>

Permanently restricted net assets consist of endowment fund assets to be held in perpetuity with income available to support the Table's general program activities (see Note 6).

9. **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, 2016 and 2015, the Table made matching contributions of \$5,042 and \$5,850, respectively. Included in accrued expenses at March 31, 2016 and 2015 are \$474 and \$357, respectively, in retirement matching contributions.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

10. SIGNIFICANT CONCENTRATIONS OF RISK

The Table's portfolio of common stocks and mutual funds have a fair market value at March 31, 2016 of \$500,062; representing 27% of its total asset base. The fair market value of these investments is not federal-insured and is subject to market fluctuation.

11. INDEMNIFICATION

The Table's Articles of Incorporation provide 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, 2016, the Table had not experienced any losses related to these indemnification obligations, and no claims with respect thereto were outstanding.