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MY BROTHER'S TABLE, INC.

**REPORT ON AUDIT
OF FINANCIAL STATEMENTS**

MARCH 31, 2017 AND 2016

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MY BROTHER'S TABLE, INC.

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016**

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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, 2017, 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, 2017, 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 2016 financial statements, and our report dated September 22, 2016, 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, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Topsfield, Massachusetts
October 18, 2017

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MY BROTHER'S TABLE, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016

<u>ASSETS</u>	2017	2016
Cash and cash equivalents, substantially all in interest bearing accounts	\$ 971,080	\$ 1,094,499
Investments	445,152	413,199
Inventories, at the lower of cost or fair market value	95,007	90,054
Deposit and prepaid expenses	27,047	25,381
Investments restricted for long-term investment	100,520	88,195
Fixed assets, net	173,658	173,507
TOTAL ASSETS	\$ 1,812,464	\$ 1,884,835

LIABILITIES AND NET ASSETS

Liabilities -		
Accounts payable and accrued expenses	\$ 37,141	\$ 51,988
Net assets:		
Unrestricted:		
Operating	116,517	180,540
Board-designated	1,181,875	1,181,875
Temporarily restricted	402,249	395,750
Permanently restricted	74,682	74,682
Total net assets	1,775,323	1,832,847
TOTAL LIABILITIES AND NET ASSETS	\$ 1,812,464	\$ 1,884,835

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

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MY BROTHER'S TABLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative totals for 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
SUPPORT AND REVENUES:					
In-kind donations	\$ -	\$ 643,186	\$ -	\$ 643,186	\$ 487,509
Contributions, promises to give and memorials	432,548	1,100	-	433,648	491,743
Special events, net of costs of direct benefits	110,992	-	-	110,992	95,380
Grants	11,500	20,000	-	31,500	82,695
Net gain (loss) on investments	41,456	9,011	-	50,467	(52,147)
Investment income	19,897	3,315	-	23,212	24,184
	<u>616,393</u>	<u>676,612</u>	<u>-</u>	<u>1,293,005</u>	<u>1,129,364</u>
Net assets released from program restrictions	670,113	(670,113)	-	-	-
Total support and revenues	<u>1,286,506</u>	<u>6,499</u>	<u>-</u>	<u>1,293,005</u>	<u>1,129,364</u>
EXPENSES:					
PROGRAM SERVICES:					
Food	1,016,945	-	-	1,016,945	856,996
Volunteer	95,408	-	-	95,408	86,763
Advocacy	47,447	-	-	47,447	45,417
Total program services	<u>1,159,800</u>	<u>-</u>	<u>-</u>	<u>1,159,800</u>	<u>989,176</u>
SUPPORT SERVICES:					
Management and general	93,838	-	-	93,838	101,214
Fundraising	96,891	-	-	96,891	91,755
Total support services	<u>190,729</u>	<u>-</u>	<u>-</u>	<u>190,729</u>	<u>192,969</u>
Total expenses	<u>1,350,529</u>	<u>-</u>	<u>-</u>	<u>1,350,529</u>	<u>1,182,145</u>
CHANGE IN NET ASSETS	<u>(64,023)</u>	<u>6,499</u>	<u>-</u>	<u>(57,524)</u>	<u>(52,781)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,362,415</u>	<u>395,750</u>	<u>74,682</u>	<u>1,832,847</u>	<u>1,885,628</u>
NET ASSETS, END OF YEAR	<u>\$ 1,298,392</u>	<u>\$ 402,249</u>	<u>\$ 74,682</u>	<u>\$ 1,775,323</u>	<u>\$ 1,832,847</u>

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

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MY BROTHER'S TABLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative totals for 2016)

	Food	Volunteer	Advocacy	Management and General	Fundraising	2017 Totals	2016 Totals
Direct food costs:							
Food	\$ 649,755	\$ -	\$ -	\$ -	\$ -	\$ 649,755	\$ 483,045
Supplies	34,045	-	-	-	-	34,045	34,408
Salaries and contract	51,051	-	-	-	-	51,051	60,225
Total direct food costs	734,851	-	-	-	-	734,851	577,678
Payroll costs:							
Salaries and wages	85,840	64,879	28,608	38,326	52,589	270,242	257,273
Payroll taxes and benefits	29,053	13,769	6,072	8,134	11,161	68,189	60,763
Total payroll costs	114,893	78,648	34,680	46,460	63,750	338,431	318,036
Other costs:							
Occupancy	108,343	5,820	5,820	7,278	5,820	133,081	138,226
Printing and postage	-	-	-	2,390	7,972	10,362	8,351
Depreciation	20,686	383	383	382	382	22,216	18,190
Repairs and maintenance	15,735	-	-	-	-	15,735	18,244
Other program costs	9,852	5,062	952	6,990	1,925	24,781	24,938
Insurance	11,131	1,349	1,349	1,686	1,349	16,864	16,789
Professional fees	-	-	-	9,000	-	9,000	14,750
Office expense	160	3,532	3,992	19,289	15,195	42,168	43,817
Telephone	1,294	614	271	363	498	3,040	3,126
Total other costs	167,201	16,760	12,767	47,378	33,141	277,247	286,431
Total expenses	\$ 1,016,945	\$ 95,408	\$ 47,447	\$ 93,838	\$ 96,891	\$ 1,350,529	\$ 1,182,145

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, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (57,524)	\$ (52,781)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	22,216	18,190
Unrealized (gain) loss in market value of investments	(54,969)	67,300
Realized (gain) loss on sale of investments	4,502	(15,153)
In-kind capital contributions	(20,000)	-
Cash provided by (used in) changes in:		
Contributions receivable	-	253,490
Inventories	(4,953)	(10,862)
Deposit and prepaid expenses	(1,666)	(2,150)
Accounts payable and accrued expenses	(14,847)	11,823
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(127,240)	269,857
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(22,367)	(55,428)
Proceeds of investment sales	20,000	77,800
Purchases of investments	(13,812)	(80,739)
NET CASH USED IN INVESTING ACTIVITIES	(16,179)	(58,367)
CASH FLOWS FROM FINANCING ACTIVITIES -		
In-kind capital contributions	20,000	-
NET CASH USED IN INVESTING ACTIVITIES	20,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(123,419)	211,490
CASH AND CASH EQUIVALENTS, BEGINNING	1,094,498	883,008
CASH AND CASH EQUIVALENTS, ENDING	\$ 971,079	\$ 1,094,498
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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, 2017 AND 2016

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 186,000 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

Management has evaluated events and transactions for potential recognition or disclosure through October 18, 2017, 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, 2017 AND 2016

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 \$1,181,875 of net assets restricted 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 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, 2017 AND 2016

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.

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 recorded in the financial statements as pledges receivable and revenue of the appropriate net asset category in the year the pledge 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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

SIGNIFICANT ACCOUNTING POLICIES *(continued)*:

In-kind Food Donations and Food Inventories *(continued)*

At March 31, 2017 and 2016, the fair value of food and related supply inventories in storage was \$95,007 and \$90,054, 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, 2017 and 2016, the Table received donated professional services (legal, medical, financial and other) in the amount of \$15,155 and \$13,862, 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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

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 for the fiscal years 2016, 2015 and 2014 remain subject to review by the Internal Revenue Service and the state of Massachusetts.

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. FIXED ASSETS

Fixed assets are comprised of the following at March 31, 2017 and 2016:

	2017	2016
Equipment	\$ 157,130	\$ 136,395
Leasehold improvements	195,431	193,799
Office furniture and equipment	83,141	83,141
Delivery vehicles	42,285	42,285
	<u>477,987</u>	<u>455,620</u>
Less accumulated depreciation	304,329	282,113
Fixed assets, net	<u>\$ 173,658</u>	<u>\$ 173,507</u>

3. INVESTMENTS

Fair value measurement was determined using Level 1 inputs and as of March 31, 2017 and 2016 and investments consist of the following:

	2017		2016	
	Cost	Market	Cost	Market
Common stocks	\$ 3,889	\$ 4,520	\$ 2,012	\$ 2,346
Cash equivalents	62,504	62,504	34,269	34,269
Equity mutual funds	489,499	530,984	503,408	490,626
Fixed income mutual funds	6,576	7,733	6,338	7,090
	<u>\$562,468</u>	<u>\$605,741</u>	<u>\$546,027</u>	<u>\$534,331</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.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

4. INVESTMENTS (continued):

Net gain on investments for the years ended March 31, 2017 and 2016 is comprised of the following:

	2017	2016
Unrealized gain (loss) in market value of investments	\$54,969	\$(67,300)
Realized gain (loss) on sale of investments	(4,502)	15,153
Net gain (loss) on investments	<u>\$50,467</u>	<u>\$(52,147)</u>

At March 31, 2017 and 2016, investments with a fair value of \$100,520 and \$88,195, respectively, (see below) have been restricted by the donors for long-term investment (endowment). At March 31, 2017 and 2016, 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, 2017 and 2016, the Table recognized trust income distributions of \$17,680 and \$19,164, 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, 2017, the principal value of donor-imposed restricted assets is \$74,682. Changes in permanently restricted net assets were as follows:

	2017		2016	
	Cash	Investments	Cash	Investments
Balance, beginning of year	\$1,333	\$86,862	\$ 916	\$92,453
Transfers/contributions	1,103	(1,103)	417	(772)
Investment income	-	3,314	-	4,590
Realized gain	-	-	-	3,700
Unrealized gain (loss)	-	9,011	-	(13,109)
Appropriation for expenditure	-	-	-	-
Balance, end of year	<u>\$2,436</u>	<u>\$98,084</u>	<u>\$1,333</u>	<u>\$86,862</u>

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8MY BROTHER'S TABLE, INC.NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**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 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.

7. LEASE COMMITMENT

The Table leases its premises from the City of Lynn, MA, under the terms of an operating lease which expires June 30, 2020. 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:

	2017	2016
Grants restricted for the purchase of long-lived assets	\$278,068	\$288,848
Inventory to be used in food program	95,007	95,007
Unappropriated gains on permanently restricted net assets	25,838	13,512
Grants restricted for the purchase of infant formula	3,336	3,336
	<u>\$402,249</u>	<u>\$395,750</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, 2017 and 2016, the Table made matching contributions of \$5,242 and \$5,042, respectively. Included in accrued expenses at March 31, 2017 and 2016 are \$938 and \$474, respectively, in retirement matching contributions.

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MY BROTHER'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

10. SIGNIFICANT CONCENTRATIONS OF RISK

The Table's portfolio of common stocks and mutual funds have a fair market value at March 31, 2017 of \$543,237; representing 30% 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 Organization 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, 2017, the Table had not experienced any losses related to these indemnification obligations, and no claims with respect thereto were outstanding.