

Martha's Table, Inc.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2010 AND 2009

WATKINS | MEEGAN

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Independent Auditors' Report

To the Board of Directors
Martha's Table, Inc.
Washington, DC

We have audited the accompanying statements of financial position of Martha's Table, Inc. (Martha's Table), as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Martha's Table's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Martha's Table, Inc., as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Bethesda, Maryland
September 26, 2011

MARTHA'S TABLE, INC.

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2010	2009
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,165,246	\$ 187,994
Accounts Receivable	288,110	313,042
Grants Receivable	190,397	111,334
Certificates of Deposit	1,385,734	2,099,601
Pledges Receivable	50,619	75,619
Prepaid Expenses	38,542	25,856
Total Current Assets	3,118,648	2,813,446
PROPERTY AND EQUIPMENT, Net	2,972,326	3,198,196
	\$ 6,090,974	\$ 6,011,642
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 261,186	\$ 182,805
Deferred Revenue	1,000	-
Total Current Liabilities	262,186	182,805
NET ASSETS		
Unrestricted:		
Board Designated - Reserve Fund	300,000	300,000
Operating	5,528,788	5,528,837
	5,828,788	5,828,837
	\$ 6,090,974	\$ 6,011,642

MARTHA'S TABLE, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2010 AND 2009

MARTHA'S TABLE, INC.

STATEMENTS OF ACTIVITIES

	Year Ended December 31,					
	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES						
Contributions and Grants						
Individuals	\$ 794,526	\$ 14,758	\$ 809,284	\$ 693,524	\$ 5,501	\$ 699,025
Corporations	203,593	15,220	218,813	142,135	59,057	201,192
Foundations	239,760	541,568	781,328	366,358	314,790	681,148
Civic and Religious Groups	61,486	35,885	97,371	90,594	6,431	97,025
Combined Federal Campaign	411,562	37,844	449,406	373,164	-	373,164
Federal and State Funds	1,206,471	-	1,206,471	1,089,593	-	1,089,593
	2,917,398	645,275	3,562,673	2,755,368	385,779	3,141,147
In-Kind Contributions						
Donated Food	922,239	-	922,239	961,123	-	961,123
Donated Clothing and Other Items	973,434	-	973,434	888,163	-	888,163
	1,895,673	-	1,895,673	1,849,286	-	1,849,286
Other Revenues						
Childcare Co-Pay	41,422	-	41,422	35,986	-	35,986
Investment Income	14,959	-	14,959	17,561	-	17,561
Martha's Outfitters	208,262	-	208,262	210,592	-	210,592
Miscellaneous Income	12,165	-	12,165	270,532	-	270,532
Special Events	223,504	-	223,504	44,268	-	44,268
Net Assets Released from Restrictions -						
Satisfaction of Program Restrictions	645,275	(645,275)	-	385,779	(385,779)	-
	1,145,587	(645,275)	500,312	964,718	(385,779)	578,939
Total Support and Revenues	5,958,658	-	5,958,658	5,569,372	-	5,569,372

	Year Ended December 31,					
	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
EXPENSES						
Program Services						
McKenna's Wagon	\$ 1,307,798	\$ -	\$ 1,307,798	\$ 1,371,774	\$ -	\$ 1,371,774
Martha's Outfitters	1,045,378	-	1,045,378	951,613	-	951,613
Elementary Program	799,010	-	799,010	686,221	-	686,221
Early Childhood Education Program	1,338,444	-	1,338,444	1,249,092	-	1,249,092
Teen Program	364,664	-	364,664	381,188	-	381,188
Bridge Program	354,959	-	354,959	305,499	-	305,499
Project My Time	-	-	-	47,018	-	47,018
Satellite	57,019	-	57,019	14,610	-	14,610
Total Program Services	<u>5,267,272</u>	<u>-</u>	<u>5,267,272</u>	<u>5,007,015</u>	<u>-</u>	<u>5,007,015</u>
Supporting Services						
General Administration	421,208	-	421,208	362,288	-	362,288
Fundraising	270,227	-	270,227	241,977	-	241,977
Total Supporting Services	<u>691,435</u>	<u>-</u>	<u>691,435</u>	<u>604,265</u>	<u>-</u>	<u>604,265</u>
Total Expenses	<u>5,958,707</u>	<u>-</u>	<u>5,958,707</u>	<u>5,611,280</u>	<u>-</u>	<u>5,611,280</u>
CHANGE IN NET ASSETS	(49)	-	(49)	(41,908)	-	(41,908)
NET ASSETS, Beginning of Year	<u>5,828,837</u>	<u>-</u>	<u>5,828,837</u>	<u>5,870,745</u>	<u>-</u>	<u>5,870,745</u>
NET ASSETS, End of Year	<u>\$ 5,828,788</u>	<u>\$ -</u>	<u>\$ 5,828,788</u>	<u>\$ 5,828,837</u>	<u>\$ -</u>	<u>\$ 5,828,837</u>

MARTHA'S TABLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2010

	Program Services							Supporting Services			Total Expenses	
	McKenna's Wagon	Martha's Outfitters	Elementary Program	Early Childhood Education Program	Teen Program	Bridge Program	Satellite	Subtotal	General Administration	Fundraising		Subtotal
PERSONNEL EXPENSES												
Salaries	\$ 193,935	\$ 151,852	\$ 289,883	\$ 817,114	\$ 188,952	\$ 192,536	\$ 42,578	\$ 1,876,850	\$ 224,135	\$ 207,256	\$ 431,391	\$ 2,308,241
Payroll Taxes and Benefits	48,835	28,351	70,366	184,860	38,802	38,859	7,035	417,108	41,278	39,831	81,109	498,217
	<u>242,770</u>	<u>180,203</u>	<u>360,249</u>	<u>1,001,974</u>	<u>227,754</u>	<u>231,395</u>	<u>49,613</u>	<u>2,293,958</u>	<u>265,413</u>	<u>247,087</u>	<u>512,500</u>	<u>2,806,458</u>
OPERATING EXPENSES												
Meetings	-	-	59	261	-	30	-	350	3,679	267	3,946	4,296
Newsletter	5,479	2,905	3,997	3,997	4,157	3,997	-	24,532	309	4,395	4,704	29,236
Professional Fees	1,690	822	9,932	33,792	7,822	8,541	-	62,599	92,635	2,436	95,071	157,670
Insurance	5,575	4,529	7,666	9,060	3,484	3,484	-	33,798	6,989	348	7,337	41,135
Travel	69	5	7,112	1,820	20,550	6,423	178	36,157	511	49	560	36,717
Gasoline	9,147	115	571	571	571	571	-	11,546	240	-	240	11,786
Tax, Tags, and Licenses	3,854	13,343	108	959	75	408	-	18,747	1,980	46	2,026	20,773
Cleaning	11,698	9,504	16,085	19,459	7,312	7,311	-	71,369	1,712	731	2,443	73,812
Repairs and Maintenance	23,019	11,660	18,744	22,375	8,738	10,550	-	95,086	6,521	1,439	7,960	103,046
Utilities	24,493	20,520	26,298	37,473	13,299	12,819	-	134,902	3,571	982	4,553	139,455
Postage	2,103	2,292	1,625	1,625	1,625	1,625	-	10,895	3,191	1,983	5,174	16,069
Extermination	758	616	1,042	1,232	474	474	-	4,596	94	47	141	4,737
Trash Removal	3,276	2,662	4,505	5,323	2,047	2,047	-	19,860	409	205	614	20,474
Supplies	40,432	4,624	15,600	54,288	13,674	12,200	7,228	148,046	26,905	2,796	29,701	177,747
Food - Other	15,613	-	-	56	-	-	-	15,669	53	900	953	16,622
Children's Food	31	-	26,177	66,459	19,634	19,634	-	131,935	-	-	-	131,935
Miscellaneous	1,854	927	1,390	1,391	1,390	1,391	-	8,343	610	3,463	4,073	12,416
Depreciation and Amortization	39,691	51,904	67,170	76,329	32,058	32,059	-	299,211	6,386	3,053	9,439	308,650
	<u>188,782</u>	<u>126,428</u>	<u>208,081</u>	<u>336,470</u>	<u>136,910</u>	<u>123,564</u>	<u>7,406</u>	<u>1,127,641</u>	<u>155,795</u>	<u>23,140</u>	<u>178,935</u>	<u>1,306,576</u>
DONATION EXPENSES												
Donated Food	783,903	-	138,336	-	-	-	-	922,239	-	-	-	922,239
Donated Clothing and Other Items	92,343	738,747	92,344	-	-	-	-	923,434	-	-	-	923,434
	<u>876,246</u>	<u>738,747</u>	<u>230,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,845,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,845,673</u>
Total Expenses	<u>\$ 1,307,798</u>	<u>\$ 1,045,378</u>	<u>\$ 799,010</u>	<u>\$ 1,338,444</u>	<u>\$ 364,664</u>	<u>\$ 354,959</u>	<u>\$ 57,019</u>	<u>\$ 5,267,272</u>	<u>\$ 421,208</u>	<u>\$ 270,227</u>	<u>\$ 691,435</u>	<u>\$ 5,958,707</u>

MARTHA'S TABLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2009

	Program Services								Supporting Services			Total Expenses	
	McKenna's Wagon	Martha's Outfitters	Elementary Program	Early Childhood Education Program	Teen Program	Bridge Program	Project My Time	Satellite	Subtotal	General Administration	Fundraising		Subtotal
PERSONNEL EXPENSES													
Salaries	\$ 245,547	\$ 140,267	\$ 219,118	\$ 798,925	\$ 223,655	\$ 178,307	\$ 33,115	\$ 12,584	\$ 1,851,518	\$ 186,755	\$ 184,053	\$ 370,808	\$ 2,222,326
Payroll Taxes and Benefits	54,098	21,972	42,248	160,176	34,365	27,569	13,755	2,026	356,209	57,231	39,138	96,369	452,578
	<u>299,645</u>	<u>162,239</u>	<u>261,366</u>	<u>959,101</u>	<u>258,020</u>	<u>205,876</u>	<u>46,870</u>	<u>14,610</u>	<u>2,207,727</u>	<u>243,986</u>	<u>223,191</u>	<u>467,177</u>	<u>2,674,904</u>
OPERATING EXPENSES													
Meetings	-	-	-	615	-	-	-	-	615	2,923	468	3,391	4,006
Newsletter	6,552	3,248	4,878	4,887	4,849	4,849	-	-	29,263	2,017	3,539	5,556	34,819
Professional Fees	2,636	1,205	8,081	9,148	5,954	6,322	-	-	33,346	61,247	2,654	63,901	97,247
Insurance	9,369	6,053	10,243	12,418	5,661	5,439	-	-	49,183	13,340	466	13,806	62,989
Travel	195	106	5,408	707	18,862	861	-	-	26,139	707	257	964	27,103
Gasoline	8,415	-	563	542	539	539	-	-	10,598	42	2	44	10,642
Tax, Tags, and Licenses	4,315	7,989	136	191	187	136	-	-	12,954	1,698	-	1,698	14,652
Cleaning	10,112	8,216	13,904	16,432	5,800	6,840	-	-	61,304	1,264	632	1,896	63,200
Repairs and Maintenance	15,374	5,594	9,675	12,166	5,211	4,665	-	-	52,685	904	637	1,541	54,226
Utilities	24,932	12,601	26,140	38,029	13,336	12,976	-	-	128,014	3,631	600	4,231	132,245
Postage	326	792	282	2,550	282	282	-	-	4,514	8,391	2,386	10,777	15,291
Extermination	787	639	1,082	1,279	492	492	-	-	4,771	98	49	147	4,918
Trash Removal	3,282	2,667	4,513	5,333	2,051	2,051	-	-	19,897	410	205	615	20,512
Supplies	39,602	3,831	10,077	54,007	11,595	5,822	148	-	125,082	11,397	3,932	15,329	140,411
Food - Other	2,938	-	-	-	-	-	-	-	2,938	-	-	-	2,938
Children's Food	1,186	-	23,045	57,723	17,284	17,284	-	-	116,522	-	-	-	116,522
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	38,462	50,296	65,089	73,964	31,065	31,065	-	-	289,941	10,233	2,959	13,192	303,133
	<u>168,483</u>	<u>103,237</u>	<u>183,116</u>	<u>289,991</u>	<u>123,168</u>	<u>99,623</u>	<u>148</u>	<u>-</u>	<u>967,766</u>	<u>118,302</u>	<u>18,786</u>	<u>137,088</u>	<u>1,104,854</u>
DONATION EXPENSES													
Donated Food	816,955	-	144,168	-	-	-	-	-	961,123	-	-	-	961,123
Donated Clothing and Other Items	86,691	686,137	97,571	-	-	-	-	-	870,399	-	-	-	870,399
	<u>903,646</u>	<u>686,137</u>	<u>241,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,831,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,831,522</u>
Total Expenses	<u>\$ 1,371,774</u>	<u>\$ 951,613</u>	<u>\$ 686,221</u>	<u>\$ 1,249,092</u>	<u>\$ 381,188</u>	<u>\$ 305,499</u>	<u>\$ 47,018</u>	<u>\$ 14,610</u>	<u>\$ 5,007,015</u>	<u>\$ 362,288</u>	<u>\$ 241,977</u>	<u>\$ 604,265</u>	<u>\$ 5,611,280</u>

MARTHA'S TABLE, INC.

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (49)	\$ (41,908)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	308,650	303,132
Donated Investments	(20,473)	(24,092)
Donated Website	(50,000)	-
Donated Automobile	-	(17,764)
Unrealized and Realized Gains on Investments, Net	(347)	(1,957)
(Gain) Loss on Sale of Asset	1,569	(256,323)
Change in:		
Accounts Receivable	24,932	(177,540)
Grants Receivable	(79,063)	8,802
Pledges Receivable	25,000	200,000
Prepaid Expenses	(12,686)	23,527
Accounts Payable and Accrued Expenses	78,381	(26,410)
Deferred Revenue	1,000	-
Net Cash Provided by (Used in) Operating Activities	276,914	(10,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities of Certificates of Deposit	2,620,473	1,967,758
Proceeds from Sale of Building	-	300,000
Purchase of Certificates of Deposit	(1,885,786)	(3,044,679)
Purchases of Property and Equipment	(34,349)	(56,457)
Net Cash Provided by (Used in) Investing Activities	700,338	(833,378)
CASH USED IN FINANCING ACTIVITIES		
Payments on Capital Lease Obligation	-	(2,907)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	977,252	(846,818)
CASH AND CASH EQUIVALENTS, Beginning of Year	187,994	1,034,812
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,165,246	\$ 187,994
NONCASH INVESTING		
Donated Investments, Website and Automobile	\$ 70,473	\$ 41,856

MARTHA'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Martha's Table, Inc. (Martha's Table), was incorporated in the District of Columbia on December 6, 1979. Martha's Table is a not-for-profit corporation operating in the District of Columbia, the purpose of which is to establish food services for the poor, promote child nutrition and development, and make provisions for social services and economic opportunities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in operating and money market bank accounts, cash on hand, and highly liquid investments with original maturities of 90 days or less.

Receivables

Martha's Table records receivables net of allowances for doubtful accounts when necessary. The need for allowances is determined based on a review of the estimated collectibility of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged-off against the allowances for doubtful accounts once management determines an account, or a portion thereof, to be worthless.

At December 31, 2010 and 2009, all receivables are considered to be fully collectible, and, as such, no allowance for doubtful accounts has been provided for in these financial statements.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are reflected as current pledges receivable and recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are reflected as long-term pledges receivable and recorded at the present value of their net realizable values. The discount on the long-term pledges receivable is computed using a risk-free interest rate at the time the promise to give is made. Amortization of the discount is included in contribution revenue.

All pledges receivable are expected to be collected within one year and no allowance for uncollectible promises to give has been provided.

Certificates of Deposit

Certificates of deposit held for investment are not debt or equity securities. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as current assets.

MARTHA'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value at the date of donation. Martha's Table capitalizes purchases over \$500 with an estimated useful life of greater than one year. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the related assets commencing in the month the asset is placed in service, as follows:

Buildings and Improvements	7 - 20 Years
Furniture	10 Years
Office/Kitchen Equipment	3 - 15 Years
Vans	5 Years
Website	5 Years

Revenue Recognition

Martha's Table classifies net assets into two categories: unrestricted and temporarily restricted. Martha's Table records contributions as revenue when they are pledged by the donor or when received in cash if not pledged. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Temporarily restricted net assets are contributions with temporary, donor-imposed time and/or program-specific restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a certain period.

Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purposes and are reported in the statements of activities as net assets released from restrictions.

Revenues from federal and other funding sources are recognized when the related expenses are incurred. Expenses charged to federal grants are subject to audit and adjustment. Grant expenses incurred before the related grant revenue is received are reported as grants receivable.

Program Services

McKenna's Wagon

McKenna's Wagon is a mobile soup kitchen that distributes food to the hungry and homeless in the District of Columbia. Two vans operated seven days a week at three regularly scheduled sites for 2010 and 2009. McKenna's Wagon also works through partnership and collaborative agreements with other local organizations to provide meals to the hungry and homeless in the District of Columbia. Starting in 2009, a concerted effort was made to replace high sugar snacks and desserts with healthier options such as fresh fruit. Beginning in 2010, Martha's Table adjusted its valuation method for food donations relying less on the overall estimate of meals served and more on the actual market value of items donated in each meal along with wholesale values assigned by donors.

MARTHA'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services (Continued)

Martha's Outfitters and Other Services

Martha's Outfitters is open to the community five days a week, Tuesday through Saturday, from 9 a.m. to 2 p.m. Martha's Outfitters offers a wide assortment of almost new, up-to-date clothing in addition to providing blankets, toiletries, and children's supplies to low income families and individuals in the community. There were 22,751 (unaudited) and 19,474 (unaudited) visits to Martha's Outfitters during the years ended December 31, 2010 and 2009, respectively.

Elementary Program and Early Childhood Education Program

Martha's Table is committed to child development and nutrition. The Early Childhood Education Program (ages 3 months to 4 years) prepares preschool children for school and develops the literacy and parenting skills of their parents. The Elementary Program (ages 5 to 9) builds on the in-school academic curriculum to reinforce their learning and literacy in a safe and nurturing environment. Martha's Table also provides a tutoring program for children and an engaging summer program which promotes an active, healthy lifestyle and ensures children are prepared academically when school begins in the fall.

Teen and Bridge Programs

The Bridge (ages 10 to 13) and Teen (ages 14 to 18) Programs serve youth throughout the year with after-school and summer programs. There are approximately 100 (unaudited) youths registered in the school year and Martha's Table accommodates even more in the summer. These programs focus on five general areas: (1) helping meet the youths' basic needs, such as food and clothes, (2) providing a safe, supervised, and supportive program the youths enjoy and attend, (3) assisting the youths in their education with a supportive academic environment that promotes and nurtures learning, (4) assisting youths dealing with family challenges, and (5) facilitating the participants' personal growth and development. The programs combine these five areas of focus in their effort to try and help each member of the program realize their abilities, skills, and opportunities to succeed in life.

Donated Contributions

Donated contributions include food, clothing, investments, and other items, such as toys and educational materials. Donations are recorded as support at their estimated fair values at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Area supermarkets, caterers, food vendors, shops, hotels, and volunteers provide over 98 percent of the food served by McKenna's Wagon at no cost or at significant discounts. Quantities of food donated are calculated based on an overall estimate of meals served. For the years ended December 31, 2010 and 2009, donated food was valued by management at \$922,239 and \$961,123, respectively, and donated clothing and other items were valued by management at \$973,434 and \$870,399, respectively, in the statements of activities. Martha's Table periodically examines its systems for calculating in-kind donation values and makes necessary adjustments.

MARTHA'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Contributions (Continued)

McKenna's Wagon and the children and youth program benefited from approximately 21,882 (unaudited) and 24,055 (unaudited) hours, respectively, of volunteer service. The value of hours volunteered at Martha's Table is not recorded in the financial statements, as it does not create or enhance financial assets or require specialized skills. The amount of such unrecorded labor was estimated by management at \$180,527 and \$184,261 for the years ended December 31, 2010 and 2009, respectively.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program and supporting service categories based on various methods, including time spent and space occupied.

Income Taxes

Martha's Table is exempt from federal tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal and state income taxes. Martha's Table has been classified by the Internal Revenue Service as a publicly supported organization under Section 170(b)(1)(A)(VI). Martha's Table did not have any unrelated business income for the years ended December 31, 2010 and 2009. Tax years prior to 2007 are no longer subject to examination by the IRS and the tax jurisdiction of the District of Columbia.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Subsequent Events

Martha's Table has evaluated events and transactions for potential recognition or disclosure through September 26, 2011, the date the financial statements were available to be issued.

MARTHA'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of:

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 921,044	\$ 921,044
Buildings and Improvements	5,252,704	5,244,130
Furniture	58,107	54,047
Office/Kitchen Equipment	352,628	336,875
Vans	87,066	111,958
Website	50,000	-
	<u>6,721,549</u>	<u>6,668,054</u>
Less: Accumulated Depreciation and Amortization	<u>(3,749,223)</u>	<u>(3,469,858)</u>
	<u>\$ 2,972,326</u>	<u>\$ 3,198,196</u>

NOTE 3 – BENEFIT PLAN

The employees of Martha's Table who work 1,000 or more hours within a 12-month period are eligible to participate in a 403(b) tax-deferred annuity plan, through which they can defer up to the legal limits allowed by the Internal Revenue Code. Martha's Table is required to contribute 3 percent for all eligible employees, plus Martha's Table can make a discretionary 1 percent contribution if the employee contributes 1 percent. Martha's Table made contributions, including discretionary contributions, of \$66,913 and \$49,162 to this plan for the years ended December 31, 2010 and 2009, respectively.

NOTE 4 – CONCENTRATIONS

Martha's Table has cash and cash equivalent balances in excess of Federal Deposit Insurance Corporation (FDIC) limits totaling \$31,518 at December 31, 2010.

For the years ended December 31, 2010 and 2009, approximately 20 percent of total Support and Revenues was received from federal and state funds.

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