

PLACE OF PROMISE, INC.

(A Non-Profit Corporation)

ANNUAL FINANCIAL STATEMENTS

(Review)

JUNE 30, 2017

PLACE OF PROMISE, INC.
LOWELL, MASSACHUSETTS
(A Non-Profit Corporation)

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To the Board of Directors of
Place of Promise, Inc.
Lowell, Massachusetts

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of Place of Promise, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Certified Public Accountant
November 8, 2017

PLACE OF PROMISE, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

CURRENT ASSETS:

Cash - Operations	\$ 96,118
Cash - Held in Trust (Note 5)	41,737
Total Cash	<u>137,855</u>
Investments (Note 2 & 3)	15,587
Loan Receivable (Note 6)	7,750
Prepaid expenses	6,806
Total Current Assets	<u>167,998</u>

PROPERTY AND EQUIPMENT (Note 2 & 4):

Land	174,000
Buildings	727,366
Building Improvements	46,476
Automobiles	32,472
	<u>980,314</u>
Less - Accumulated Depreciation	(302,511)
Net Property and Equipment	<u>677,803</u>

TOTAL ASSETS \$ 845,801

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 1,366
Accrued Expenses	6,800
Deposits Held in Trust (Note 5)	41,737
Equity Line of Credit Payable (Note 8)	36,483
Mortgages Payable - current portion	8,567
Total Current Liabilities	<u>94,953</u>

LONG TERM LIABILITIES:

Mortgages Payable - long term (Note 7)	<u>191,665</u>
Total Liabilities	286,618

NET ASSETS (Note 2 & 9):

Unrestricted Net Assets	<u>559,183</u>
Total Net Assets	<u>559,183</u>

TOTAL LIABILITIES AND NET ASSETS \$ 845,801

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND GAINS (Note 2, 3 & 9):			
Contributions	\$ 197,322	\$ 49,624	\$ 246,946
Noncash Contributions - Securities	574	40,000	40,574
Program Fees	48,275		48,275
Investment Income	507		507
Gain (Loss) on Investments-Realized	249		249
Gain (Loss) on Investments-Unrealized	950		950
Total Revenues and Gains	<u>247,877</u>	<u>89,624</u>	<u>337,501</u>
Net Assets released from restriction:			
Restrictions satisfied by payments (Note 9)	<u>99,104</u>	<u>(99,104)</u>	<u>0</u>
Total Revenue, Gains, and Other Support	346,981	(9,480)	337,501
EXPENSES:			
Program	349,210		349,210
General and Administrative	83,955		83,955
Fundraising	<u>5,967</u>		<u>5,967</u>
Total Expenses	<u>439,132</u>		<u>439,132</u>
CHANGE IN NET ASSETS	(92,151)	(9,480)	(101,631)
NET ASSETS - BEGINNING OF YEAR	<u>651,334</u>	<u>9,480</u>	<u>660,814</u>
NET ASSETS - END OF YEAR	<u>\$ 559,183</u>	<u>\$ 0</u>	<u>\$ 559,183</u>

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2017

	<u>PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTALS</u>
Salaries & Wages	\$ 197,142	\$ 61,113		\$ 258,255
Employee Benefits	12,271	1,860		14,131
Payroll Taxes	17,775	5,358		23,133
Food & Supplies	5,440			5,440
Other Program Expenses	10,612			10,612
Auto Expense	7,462	922		8,384
Depreciation	30,026			30,026
Insurance	17,306	2,044		19,350
Intern Expenses	2,905			2,905
Education/Training	7,727			7,727
Repairs & Maintenance	3,200			3,200
Taxes & Condo Fees	3,540			3,540
Utilities	18,163			18,163
Telephone	5,601	988		6,589
Other Administrative		7,378		7,378
Interest	10,040	992		11,032
Professional Services		3,300		3,300
Newsletter & Printing			\$ 5,967	\$ 5,967
	<u>\$ 349,210</u>	<u>\$ 83,955</u>	<u>\$ 5,967</u>	<u>\$ 439,132</u>

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2017

Increase (Decrease) in Cash & Cash Equivalents	
Change in Net Assets	\$ (101,631)
Non-Cash Items Related to Operations Included in Net Assets:	
Donation of Marketable Securities	(40,574)
Depreciation	30,026
Unrealized Gain on Investments	(950)
Realized Gain on Sale of Investments	(250)
Cash Flows from Operating Activities:	
Change in Prepaid Expenses	98
Change in Accounts Payable & Accrued Expenses	(429)
Change in Deposits Held in Trust	<u>(3,146)</u>
Net Cash (Used in) Operating Activities	(116,856)
Cash Flows from Investing Activities:	
Purchase of Building Improvements	(16,483)
Sales Proceeds from Investments	40,306
Loan provided to Employee	<u>3,343</u>
Net Cash Provided by Investing Activities	27,166
Cash Flows from Financing Activities:	
Proceeds from Line of Credit	16,483
Mortgage Principal Payments	<u>(9,260)</u>
Net Cash Provided by Financing Activities	<u>7,223</u>
Net Change in Cash	(82,467)
Cash - Beginning of Year	<u>220,322</u>
Cash - End of Year	<u>\$ 137,855</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for Interest	\$ 11,032

See accompanying Notes and Independent Accountant's Review Report.

