

PLACE OF PROMISE, INC.

(A Non-Profit Corporation)

ANNUAL FINANCIAL STATEMENTS

(Review)

JUNE 30, 2018

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

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Cocio & Richardson

Certified Public Accountants
21 Franklin Street • Quincy, MA 02169
(617) 773-5875 • Fax (617) 773-7898

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, 2018, 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 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 27, 2018

PLACE OF PROMISE, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS

CURRENT ASSETS:

Cash - Operations	\$ 52,473
Cash - Held in Trust (Note 5)	42,608
Total Cash	<u>95,081</u>
Investments (Note 2 & 3)	36,237
Loan Receivable (Note 6)	6,550
Prepaid expenses	5,226
Total Current Assets	<u>143,094</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	334,185
Net Property and Equipment	<u>646,129</u>

TOTAL ASSETS \$ 789,223

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 2,268
Accrued Expenses	3,700
Deposits Held in Trust (Note 5)	42,608
Equity Line of Credit Payable (Note 8)	36,483
Mortgages Payable - current portion	9,053
Total Current Liabilities	<u>94,112</u>

LONG TERM LIABILITIES:

Mortgages Payable - long term (Note 7)	<u>181,974</u>
Total Liabilities	276,086

NET ASSETS (Note 2 & 9):

Temporarily Restricted Net Assets	20,632
Unrestricted Net Assets	492,505
Total Net Assets	<u>513,137</u>

TOTAL LIABILITIES AND NET ASSETS \$ 789,223

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND GAINS (Note 2, 3 & 9):			
Contributions	\$ 238,494	\$ 51,845	\$ 290,339
Noncash Contributions - Securities	20,615		20,615
Program Fees	57,491		57,491
Investment Income	614		614
Gain (Loss) on Investments-Realized	(8,293)		(8,293)
Gain (Loss) on Investments-Unrealized	8,328		8,328
Total Revenues and Gains	<u>317,249</u>	<u>51,845</u>	<u>369,094</u>
Net Assets released from restriction:			
Restrictions satisfied by payments (Note 9)	<u>31,213</u>	<u>(31,213)</u>	<u>0</u>
Total Revenue, Gains, and Other Support	348,462	20,632	369,094
EXPENSES:			
Program	313,591		313,591
General and Administrative	92,447		92,447
Fundraising	<u>9,102</u>		<u>9,102</u>
Total Expenses	<u>415,140</u>		<u>415,140</u>
CHANGE IN NET ASSETS	(66,678)	20,632	(46,046)
NET ASSETS - BEGINNING OF YEAR	<u>559,183</u>	<u>0</u>	<u>559,183</u>
NET ASSETS - END OF YEAR	<u>\$ 492,505</u>	<u>\$ 20,632</u>	<u>\$ 513,137</u>

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2018

	<u>PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTALS</u>
Salaries & Wages	\$ 167,500	\$ 69,080		\$ 236,580
Employee Benefits	13,287	265		13,552
Payroll Taxes	15,004	6,128		21,132
Food & Supplies	4,126			4,126
Other Program Expenses	8,210			8,210
Auto Expense	7,516	929		8,445
Depreciation	31,674			31,674
Insurance	16,266	1,681		17,947
Scholarships	3,233			3,233
Education/Training	188			188
Repairs & Maintenance	2,382			2,382
Taxes & Condo Fees	3,361			3,361
Utilities	24,822			24,822
Telephone	5,926	1,046		6,972
Other Administrative		7,519		7,519
Interest	10,096	1,999		12,095
Professional Services		3,800		3,800
Newsletter & Printing	<u> </u>	<u> </u>	\$ <u>9,102</u>	<u>9,102</u>
	\$ <u>313,591</u>	\$ <u>92,447</u>	\$ <u>9,102</u>	\$ <u>415,140</u>

See accompanying Notes and Independent Accountant's Review Report.

PLACE OF PROMISE, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2018

Increase (Decrease) in Cash & Cash Equivalents	
Change in Net Assets	\$ (46,046)
Non-Cash Items Related to Operations Included in Net Assets:	
Donation of Marketable Securities	(20,615)
Depreciation	31,674
Unrealized Gain on Investments	(8,328)
Realized Loss on Sale of Investments	8,293
Cash Flows from Operating Activities:	
Change in Prepaid Expenses	1,580
Change in Accounts Payable & Accrued Expenses	(2,198)
Change in Deposits Held in Trust	<u>871</u>
Net Cash (Used in) Operating Activities	(34,769)
Cash Flows from Investing Activities:	
Loan repayment from Employee	<u>1,200</u>
Net Cash Provided by Investing Activities	1,200
Cash Flows from Financing Activities:	
Mortgage Principal Payments	<u>(9,205)</u>
Net Cash (Used in) Financing Activities	<u>(9,205)</u>
Net Change in Cash	(42,774)
Cash - Beginning of Year	<u>137,855</u>
Cash - End of Year	<u><u>\$ 95,081</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for Interest	\$ 12,095

See accompanying Notes and Independent Accountant's Review Report.

