

**COOPERATIVE METROPOLITAN  
MINISTRIES, INC.**

Financial Statements  
and  
Accountants' Report

June 30, 2011



**Daniel Dennis & Company LLP**  
*Certified Public Accountants*

116 Huntington Avenue  
Boston, MA 02116  
(617) 262-9898  
FAX: (617) 437-9937

Web Site: <http://www.danieldennis.com>

## Cooperative Metropolitan Ministries, Inc.

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# Daniel Dennis & Company LLP

*Certified Public Accountants*

To The Board of Directors  
**Cooperative Metropolitan Ministries, Inc.**

## *Independent Accountants' Report*

We have reviewed the accompanying statement of financial position of Cooperative Metropolitan Ministries, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Cooperative Metropolitan Ministries, Inc.'s 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

*Daniel Dennis & Company LLP*

*February 16, 2012*

**Cooperative Metropolitan Ministries, Inc.**  
Statement of Financial Position  
June 30, 2011

*Assets*

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*Current Assets*

|                      |               |
|----------------------|---------------|
| Cash                 | \$ 29,456     |
| Accounts receivable  | <u>796</u>    |
| Total current assets | <u>30,252</u> |

*Fixed Assets*

|                                |               |
|--------------------------------|---------------|
| Equipment                      | 25,596        |
| Less: Accumulated depreciation | <u>21,596</u> |
| Total fixed assets             | <u>4,000</u>  |

*Other Assets*

|                 |                         |
|-----------------|-------------------------|
| Restricted cash | <u>23,653</u>           |
| Total assets    | <u><u>\$ 57,905</u></u> |

*Net Assets*

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*Net Assets*

|                        |                         |
|------------------------|-------------------------|
| Permanently restricted | \$ 20,650               |
| Unrestricted           | <u>37,255</u>           |
| Total net assets       | <u><u>\$ 57,905</u></u> |

*See accompanying notes to financial statements and independent accountants' review report*

**Cooperative Metropolitan Ministries, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2011

***Changes in unrestricted net assets***

*Revenue and Support*

|                           |                |
|---------------------------|----------------|
| Grants                    | \$ 53,737      |
| Contributions             | 48,588         |
| Special events revenue    | 6,196          |
| Dividends and interest    | 58             |
| Program income            | <u>21,703</u>  |
| Total revenue and support | <u>130,282</u> |

*Operating Expenses*

|                              |                |
|------------------------------|----------------|
| Salaries                     | 76,559         |
| Payroll taxes and benefits   | 16,669         |
| Rent                         | 7,700          |
| Accounting fees              | 4,162          |
| Office supplies              | 2,500          |
| Office equipment             | 446            |
| Postage                      | 1,366          |
| Telephone                    | 3,970          |
| Insurance                    | 1,852          |
| Annual meeting               | 743            |
| Program supplies and expense | 17,590         |
| Depreciation                 | 2,000          |
| Fund raising expense         | 1,417          |
| Miscellaneous                | <u>1,803</u>   |
| Total operating expenses     | <u>138,777</u> |

Change in unrestricted net assets (8,495)

Unrestricted net assets, July 1, 2010 45,750

Unrestricted net assets, June 30, 2011 \$ 37,255

***Permanently restricted net assets***

Balance unchanged \$ 20,650

***Total net assets***

Total changes in net assets \$ (8,495)

Total net assets, July 1, 2010 66,400

Total net assets, June 30, 2011 \$ 57,905

*See accompanying notes to financial statements and independent accountants' review report*

**Cooperative Metropolitan Ministries, Inc.**  
Statement of Cash Flows  
For the Year Ended June 30, 2011

**Operating Activities:**

|  |                         |
|--|-------------------------|
| Change in net assets   | \$ (8,495)              |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |                         |
| Depreciation   | <u>2,000</u>            |
| Net cash used by operating activities  | (6,495)                 |
| <b>Investing Activities:</b> None  | -                       |
| <b>Financing Activities:</b> None  | <u>-</u>                |
| Net decrease in cash   | (6,495)                 |
| Cash, beginning of year  | <u>35,951</u>           |
| Cash, end of year  | <u><u>\$ 29,456</u></u> |

*See accompanying notes to financial statements and independent accountants' review report*

## **Cooperative Metropolitan Ministries, Inc.**

Notes to Financial Statements

June 30, 2011

### **1. *The Organization***

Cooperative Metropolitan Ministries, Inc. (CMM) is a not-for-profit organization, established under the laws of the Commonwealth of Massachusetts with tax exempt status under section 501c(3) of the Internal Revenue Code. CMM was incorporated to provide technical assistance for members to help facilitate social action.

### **2. *Summary of Significant Account Policies***

#### *Basis of Accounting*

The CMM's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Fixed Assets*

Equipment is capitalized and carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. CMM capitalizes assets with a useful life of greater than one year and a cost of greater than \$500.

#### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

CMM considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### *Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions received where related restrictions are met in the same reporting period are classified as unrestricted revenue.

**Cooperative Metropolitan Ministries, Inc.**  
Notes to Financial Statements - *Continued*  
June 30, 2011

2. ***Summary of Significant Account Policies – Continued***

*Accounting for Planned Major Maintenance Activities*

CMM uses the direct expensing method to account for planned major maintenance activities, under which actual costs incurred are expensed directly when maintenance is performed.

*Financial Statement Presentation*

In accordance with GAAP, CMM is required to report information regarding its financial position and activities under three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

*Income Taxes*

CMM is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Accounting standards require the evaluation of tax positions taken or expected to be taken in CMM's tax returns to determine whether the tax positions are *more-likely-than-not* of being sustained by the applicable tax authority. Tax positions not deemed to meet the *more-likely-than-not* threshold, along with accrued interest and penalties thereon, would be recorded as an expense in the current year financial statements. Management has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2011 returns and believe they are *more-likely-than-not* of being sustained if examined by taxing authorities. Returns subject to examination by taxing authorities include 2008 through 2011.

*Functional Expenses*

The costs of providing the program services and administration have been summarized on a functional basis. Accordingly, certain costs have been allocated based on direct charges and personnel time estimates.

*Subsequent Events*

CMM has evaluated subsequent events through February 16, 2012, which is the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2011, that requires recognition or disclosure in these financial statements.

**Cooperative Metropolitan Ministries**  
Notes to Financial Statements - *Continued*  
June 30, 2011

**3. Net Assets**

*Permanently Restricted*

CMM maintains permanently restricted net assets and has promoted public gifts with specific donor stipulations that the principal would be held inviolate and only the income used for programs and social services.

CMM does not distribute all cumulative net realized gains on permanently restricted net assets to protect the inviolate nature of the original corpus of permanently restricted gifts against potential market declines in the future. The cumulative net unrealized appreciation on investments is accounted for as unrestricted and is not available for distribution, except by the express action of the board of trustees of CMM.

**4. Lease Obligation**

CMM leases the office space on a tenant at will basis at a rate of \$600 per month. Rent expense was \$7,200 for the year ended June 30, 2011.

**5. Functional Expenses**

The breakdown of expenditures for the year ended June 30, 2011 is as follows:

| <i>Description</i>     | <i>Amount</i>     | <i>Percentage</i> |
|------------------------|-------------------|-------------------|
| Program services       | \$ 120,753        | 87.0%             |
| Management and general | 12,972            | 9.3%              |
| Fundraising            | <u>5,052</u>      | <u>3.6%</u>       |
| Total                  | <u>\$ 138,777</u> | <u>100.0%</u>     |

**6. Credit Risk**

CMM maintains its cash and cash equivalents accounts at two financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Periodically, balances on deposit may exceed insured limits however, CMM has not experienced any losses on its accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes CMM is not exposed to any significant credit risk with respect to its cash balances.

**7. Restricted Cash**

Restricted cash at June 30, 2011 consists of permanently restricted contributions.