

2009
Review
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**COOPERATIVE METROPOLITAN
MINISTRIES, INC.**

Financial Statements
and
Accountants' Report

June 30, 2009



Daniel Dennis & Company LLP
Certified Public Accountants

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Cooperative Metropolitan Ministries, Inc.

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The Board of Directors
Cooperative Metropolitan Ministries, Inc.

Independent Auditors' Report

We have reviewed the accompanying statement of financial position of Cooperative Metropolitan Ministries, Inc., (a non-profit corporation) as of June 30, 2009 and related statements of activities and cash flows for the year then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Cooperative Metropolitan Ministries, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

October 16, 2009

Cooperative Metropolitan Ministries, Inc.
Statement of Financial Position
June 30, 2009

<u>Assets</u>	
<i>Current Assets</i>	
Cash	\$ <u>37,367</u>
Total current assets	<u>37,367</u>
<i>Fixed Assets</i>	
Equipment	25,596
Less: Accumulated depreciation	<u>17,596</u>
Total fixed assets	<u>8,000</u>
<i>Other Assets</i>	
Restricted cash	<u>23,653</u>
Total assets	<u>\$ 69,020</u>

<u>Liabilities and Net Assets</u>	
<i>Liabilities</i>	
Accounts payable	\$ <u>204</u>
Total current liabilities	<u>204</u>
<i>Net Assets</i>	
Permanently restricted	20,650
Unrestricted	<u>48,166</u>
Total net assets	<u>68,816</u>
Total liabilities and net assets	<u>\$ 69,020</u>

See accompanying notes to financial statements and accountants' review report

Cooperative Metropolitan Ministries, Inc.
 Statement of Activities
 For the Year Ended June 30, 2009

Changes in unrestricted net assets

<i>Revenue and Support</i>	
Grants	\$ 10,300
Contributions	47,798
Special events revenue	6,142
Dividends and interest	1,141
Miscellaneous income	13,072
	<u>78,453</u>
Total revenue and support	

Operating Expenses

Salaries	76,561
Payroll taxes and benefits	7,936
Rent	6,100
Accounting fees	3,972
Office supplies	3,842
Office equipment	186
Postage	1,395
Telephone	3,389
Insurance	1,040
Annual meeting	559
Program supplies and expense	15,117
Depreciation	2,000
Fund raising expense	1,623
Miscellaneous	1,642
	<u>125,362</u>
Total operating expenses	(46,909)
Change in unrestricted net assets	
Unrestricted net assets, July 1, 2008	95,075
Unrestricted net assets, June 30, 2009	<u>\$ 48,166</u>

Permanently restricted net assets

Balance unchanged	\$ 20,650
<i>Total net assets</i>	
Total changes in net assets	(46,909)
Total net assets, July 1, 2008	115,725
Total net assets, June 30, 2009	<u>\$ 68,816</u>

See accompanying notes to financial statements and accountants' review report

Cooperative Metropolitan Ministries, Inc.
 Statement of Cash Flows
 For the Year Ended June 30, 2009

Operating Activities:	
Change in net assets	\$ (46,909)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,000
Decrease in accounts payable	<u>(392)</u>
Net cash used by operating activities	<u>(45,301)</u>
Investing Activities: None	
Financing Activities: None	
Net decrease in cash	(45,301)
Cash, beginning of year	<u>82,668</u>
Cash, end of year	<u>\$ 37,367</u>

See accompanying notes to financial statements and accountants' review report

Cooperative Metropolitan Ministries, Inc.
Notes to Financial Statements
June 30, 2009

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 accompanying financial statements are prepared on the accrual method of accounting, whereby assets, liabilities, revenue and expenses are recognized and recorded when earned or incurred.

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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements. 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 revenue, expenses and changes in net assets 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, 2009

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

CMM presents its financial statements in accordance with Statement of Financial Accounting Standard *Financial Statements of Not-for-Profit Organizations* (SFAS 117). Under SFAS 117, 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 income taxes as a non-profit corporation under Section 501(c)(3) of the U.S. Internal Revenue Code and is also exempt from state income taxes, except for income taxes on unrelated business income, if any. For the year ended June 30, 2009, CMM had no unrelated business income subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

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 \$508 per month. Rent expense was \$6,100 for the year ended June 30, 2009.

Cooperative Metropolitan Ministries
Notes to Financial Statements - *Continued*
June 30, 2009

5. Functional Expenses

The breakdown of expenditures for the year ended June 30, 2009 is as follows:

<i>Description</i>	<i>Amount</i>	<i>Percentage</i>
Program services	\$ 108,814	86.8%
Management and general	11,909	9.5%
Fundraising	<u>4,639</u>	<u>3.7%</u>
Total	<u>\$ 125,362</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, 2009 consists of permanently restricted contributions and accumulated and undistributed earnings on invested funds.

8. Accounting for Uncertainty in Income Taxes

On July 13, 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the 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. FASB Staff Position No. FIN 48-3, issued December 30, 2008, allowed for the deferral of the adoption of FIN 48 by pass-through entities and not-for-profit organizations in order to give FASB additional time to develop guidance on the application of FIN 48. CMM has elected to defer the application of FIN 48 until additional guidance is received. Therefore, at this time, the impact of FIN 48 on the financial statements has not yet been determined. Once FIN 48 is adopted, it will apply to all open tax years subject to tax examinations as of the adoption date.

CMM anticipates that the application of future guidance for the above accounting pronouncement will not significantly impact its financial statements.