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Review

COOPERATIVE METROPOLITAN MINISTRIES, INC.

**Financial Statements
June 30, 2015
(With Comparative Totals For 2014)**

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015
(With Comparative Totals For 2014)

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GONZALEZ & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS



To the Board of Directors of
Cooperative Metropolitan Ministries, Inc.,
Newton, Massachusetts

Independent Accountants' Review Report

We have reviewed the accompanying statement of financial position of Cooperative Metropolitan Ministries, Inc. (a nonprofit organization) as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization 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.

Gonzalez + Associates P.C.

GONZALEZ & ASSOCIATES, P.C.
Certified Public Accountants

Stoughton, Massachusetts
February 27, 2016

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
<u>Current Assets</u>		
Cash	\$ 176,514	\$ 56,781
Grants receivable		50,000
Investments	54,188	32,951
Total current assets	<u>230,702</u>	<u>139,732</u>
<u>Total Assets</u>	<u>\$ 230,702</u>	<u>\$ 139,732</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 2,484	\$ 10,204
Accrued expenses	2,667	2,334
Accrued payroll		196
Deferred revenue	1,250	4,225
Total current liabilities	<u>6,401</u>	<u>16,959</u>
<u>Net Assets</u>		
Unrestricted	33,895	36,822
Temporarily restricted	169,756	65,301
Permanently restricted	20,650	20,650
Total net assets	<u>224,301</u>	<u>122,773</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 230,702</u>	<u>\$ 139,732</u>

See accompanying notes and Independent Accountants' Compilation Report.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

STATEMENT OF ACTIVITIES
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Grants and contributions	\$ 79,124	\$ 181,552	\$	\$ 260,676
Released from restriction	79,246	(79,246)		
Other income				
Investment gains	133	3,741		3,874
Unrealized gain on investments		(1,817)		(1,817)
Interest income	44	225		269
Total support and revenue	<u>158,547</u>	<u>104,455</u>		<u>263,002</u>
Operating Expenses				
Program services	105,658			105,658
Management and general	47,057			47,057
Fundraising	8,759			8,759
Total operating expenses	<u>161,474</u>			<u>161,474</u>
Change in Net Assets	(2,927)	104,455		101,528
Net Assets - Beginning of Year	<u>36,822</u>	<u>65,301</u>	<u>20,650</u>	<u>122,773</u>
Net Assets - End of Year	<u>\$ 33,895</u>	<u>\$ 169,756</u>	<u>\$ 20,650</u>	<u>\$ 224,301</u>

See accompanying notes and Independent Accountants' Compilation Report.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014	
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 48,104	\$ 26,928	\$ 7,215	\$ 82,247	\$ 69,260
Payroll taxes	3,703	2,107	574	6,384	6,115
Total payroll and related expenses	51,807	29,035	7,789	88,631	75,375
Accounting		4,029		4,029	4,006
Advertising & promotion	300	800		1,100	1,469
Board expenses		657		657	498
Contract labor	7,700			7,700	13,250
Fees		556		556	85
Insurance	5,998	1,125	375	7,498	7,474
Occupancy	5,760	1,080	360	7,200	7,200
Office expense		7,179		7,179	5,495
Payroll processing fees		1,682		1,682	1,465
Postage	765	143	48	956	1,061
Program expenses					12,919
Program food & catering	10,503			10,503	9,401
Program speakers	1,450			1,450	2,240
Program supplies	9,957			9,957	
Program transportation	1,694			1,694	2,260
Program venue & lodging	6,737			6,737	7,073
Telephone	2,987	560	187	3,734	3,498
Travel		211		211	195
Total expenses	\$ 105,658	\$ 47,057	\$ 8,759	\$ 161,474	\$ 154,964

See accompanying notes and Independent Accountants' Compilation Report.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

STATEMENT OF CASH FLOWS

JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR 2014)

<u>Cash Flows From Operating Activities</u>	<u>2015</u>	<u>2014</u>
Change in net assets	\$ 101,528	\$ (19,222)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated stock	(19,901)	
Unrealized(gain) on investments	1,816	(6,692)
(Increase) decrease in:		
Grants receivable	50,000	
Prepaid expenses		2,945
Increase (decrease) in:		
Accounts payable	(7,720)	7,510
Accrued expenses	333	(1,666)
Accrued payroll and benefits	(196)	51
Deferred revenue	(2,975)	1,575
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>122,885</u>	<u>(15,499)</u>
<u>Cash Flows From Investment Activities</u>		
Purchase of investments	(24,156)	
Proceeds from sale of investments	21,004	
<u>Net Cash (Used) by Investment Activities</u>	<u>(3,152)</u>	<u>0</u>
<u>Cash Flows From Financing Activities</u>		
<u>Net Cash Provided by Financing Activities</u>	<u>0</u>	<u>0</u>
<u>Increase (Decrease) In Cash and Cash Equivalents</u>	<u>119,733</u>	<u>(15,499)</u>
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>56,781</u>	<u>72,280</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 176,514</u>	<u>\$ 56,781</u>

See accompanying notes and Independent Accountants' Compilation Report.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Organization

The Cooperative Metropolitan Ministries, Inc. was organized in the Commonwealth of Massachusetts as a not-for-profit corporation in 1966. The purpose of The Cooperative Metropolitan Ministries, Inc. is to address poverty, housing, and racial justice in Boston and to link urban and suburban congregations in just, transformative partnerships. CMM has tackled the most pressing issues facing our communities for 49 years, working to build Dr. King's vision of Beloved Community for all citizens.

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

Cooperative Metropolitan Ministries, Inc. follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-For-Profit Organization".

b. Financial Statement Presentation

Cooperative Metropolitan Ministries, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization.

c. Furniture and Equipment

These assets are recorded at cost or if donated, at fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.

d. Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.

e. Cash and Cash Equivalents

For purposes of the statement of cash flows Cooperative Metropolitan Ministries, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

f. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g. Allocation of Expenses

Expenses are allocated among program and supporting services directly on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

h. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction expires, restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restriction.

i. Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

j. Fair Value

The Organization follows the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820 "Fair Value Measurements and Disclosures", for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. The standard defines fair value and it establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The standard applies to certain other existing pronouncements that require or permit fair value measurements. It does not establish or change any existing requirements for fair value accounting.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

- Level 1 – Observable inputs such as quoted prices in active markets.
- Level 2 – Inputs other than Level 1 inputs that are observable, whether directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable markets.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

j. Fair Value (continued)

- Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions and are significant to the fair measurement.

The Organization's investments are valued based on Level 1 inputs within the fair value hierarchy.

k. Investments

Cooperative Metropolitan Ministries, Inc. maintains its investment accounts at a national financial institution. Investments are insured by the SIPC up to \$500,000. The market value of the mutual funds are subject to market risk. The investments are monitored by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization. Investments are carried at quoted market values as summarized below:

	FMV	Cost
Mutual Funds	\$ 34,130	\$ 23,646
Money Market	20,058	20,058
Total	<u>\$ 54,188</u>	<u>\$ 43,704</u>

Investment Income consists of the following:

Interest and Dividends	\$ 269
Unrealized loss on investments	(1,817)
Realized gain	3,874
Total investment return	<u>\$ 2,326</u>

l. Deferred Revenue

Deferred Revenue consists of program fees for a program to occur in August 2015.

m. Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014 from which the summarized information was derived.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015

(Continued)

Note 3. Tax Status

Cooperative Metropolitan Ministries, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as follows:

Interfaith Youth Initiative (IYI)	\$ 100,000
Interfaith Clergy Education (ICE)	56,256
Endowment appreciation	13,500
Total temporarily restricted	<u>\$ 169,756</u>

Note 5. Office Leases

Cooperative Metropolitan Ministries, Inc. rented office space on a tenant-at-will basis for the year with a monthly rent payment of \$600. Rent expense for the fiscal year 2015 totaled \$7,200.

Note 6. Endowment Funds

The Organization's endowment consists of one major donation from the Central Congregational Church in 2004. The endowment was established for the purpose of providing on-going support for the Organization and its mission. The endowment includes only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The balance in permanently restricted net assets was \$20,650 at June 30, 2015.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in the Commonwealth of Massachusetts effective June 30, 2009 and thereafter, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets:

- The original value of gifts donated to the permanent endowment
- The original value of subsequent gifts to the permanent endowment
- Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015

(Continued)

Note 6. Endowment Funds (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the various funds
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Organization's primary investment objective is to invest its endowment principal to achieve growth of both principal value and income over time sufficient to preserve and/or increase the real (inflation adjusted) purchasing power of the assets, and to provide a stable source of perpetual financial support.

Spending Policy

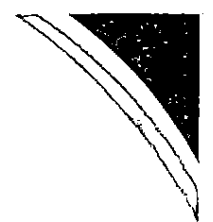
Utilization of the earnings and appreciation of the endowment funds is determined by the Board of Directors of Cooperative Metropolitan Ministries, Inc. The funds have been segregated in a mutual fund account. The temporarily restricted net assets include the unrealized appreciation and earnings of the permanently restricted fund.

Net asset composition by type of endowment fund as of June 30 is as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2014	\$	\$ 12,301	\$ 20,650	\$ 32,951
Investment return:				
Investment income, net				
Unrealized gains		2,149		2,149
Total investment return		2,149		2,149
Expenditures:				
Amounts appropriated for operations		(970)		(970)
Total expenditures		(970)		(970)
Change in endowment		1,179		1,179
Endowment net assets, June 30, 2015	\$	\$ 13,480	\$ 20,650	\$ 34,130

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COOPERATIVE METROPOLITAN MINISTRIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015

(Continued)

Note 7. Significant Support

During fiscal year 2015, the Organization received a grant from one foundation totaling \$160,000. This represents 61% of the Organization's total support and revenue for the year ending June 30, 2015.

Note 8. Date of Management's Review

Subsequent events were evaluated through February 27, 2016 which is the date the financial statements were available to be issued.