

The Plummer Home For Boys, Inc.
Financial Statements
June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Plummer Home For Boys, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Plummer Home For Boys, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Plummer Home For Boys, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2015, on our consideration of The Plummer Home For Boys, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Plummer Home For Boys, Inc.'s internal control over financial reporting and compliance.

McLarney + Company, LLC

Chelmsford, MA
October 29, 2015
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The Plummer Home For Boys, Inc.

Statements of Financial Position

As of June 30, 2015 and 2014

	2015				2014			
	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
Current Assets:								
Cash & Cash Equivalents (Note A)	\$ 316,328	\$ 64,148	\$ -	\$ 380,476	\$ 352,018	\$ 101,380	\$ -	\$ 453,398
Accounts Receivable (Note A)	180,977	-	-	180,977	187,541	-	-	187,541
Contributions Receivable	8,550	-	-	8,550	-	-	-	-
Pledges Receivable (Note B)	-	101,000	-	101,000	-	99,750	-	99,750
Interest & Dividends Receivable	3,724	-	-	3,724	2,520	-	-	2,520
Prepaid Expenses	35,957	-	-	35,957	42,692	-	-	42,692
Total Assets	545,536	165,148	-	710,684	584,771	201,130	-	785,901
Property and Equipment:								
Property and Equipment, net (Notes A, C)	437,492	-	-	437,492	488,907	-	-	488,907
Other Assets								
Investments (Note A, D, E)	2,181,305	-	-	2,181,305	2,122,939	-	-	2,122,939
Pledges Receivable (Note B)	-	124,619	-	124,619	-	121,301	-	121,301
Total Other Assets	2,181,305	124,619	-	2,305,924	2,122,939	121,301	-	2,244,240
Total Assets	\$ 3,164,333	\$ 289,767	\$ -	\$ 3,454,100	\$ 3,196,617	\$ 322,431	\$ -	\$ 3,519,048
Liabilities and Net Assets								
Current Liabilities:								
Accounts Payable	\$ 104,842	\$ -	\$ -	\$ 104,842	\$ 87,154	\$ -	\$ -	\$ 87,154
Accrued Expenses	14,800	-	-	14,800	13,300	-	-	13,300
Accrued Payroll & Payroll Taxes	85,888	-	-	85,888	72,402	-	-	72,402
Deferred Revenue	23,470	-	-	23,470	21,459	-	-	21,459
Current Portion of Capital Lease Obligation (Note K)	-	-	-	0	2,604	-	-	2,604
Total Current Liabilities	229,000	-	-	229,000	196,919	-	-	196,919
Long Term Liabilities								
Capital Lease Obligation (Note K)	-	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	229,000	-	-	229,000	196,919	-	-	196,919
Net Assets (Note A, F, I)	2,935,333	289,767	-	3,225,100	2,999,698	322,431	-	3,322,129
Total Liabilities and Net Assets	\$ 3,164,333	\$ 289,767	\$ -	\$ 3,454,100	\$ 3,196,617	\$ 322,431	\$ -	\$ 3,519,048

The accompanying notes and auditor's report are an integral part of these financial statements.

The Plummer Home For Boys, Inc.
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support: (Note A)								
Program Fees	\$ 2,101,625	\$ -	\$ -	\$ 2,101,625	\$ 2,049,715	\$ -	\$ -	\$ 2,049,715
Contributions, Fundraising & Special Event Income	706,126	9,997	-	716,123	559,688	221,446	-	781,134
Grant Revenue	50,196	50,000	-	100,196	99,186	99,812	-	198,998
Donated Goods & Services (Note A)	30,000	-	-	30,000	30,000	-	-	30,000
Other Income	2,227	-	-	2,227	5,562	-	-	5,562
Gain/(Loss) on Sale of Asset	-	-	-	-	-	-	-	-
Released from Restrictions	92,661	(92,661)	-	-	134,489	(134,489)	-	-
Total Support	2,982,835	(32,664)	-	2,950,171	2,878,640	186,769	-	3,065,409
Operating Expenses:								
Program Services								
Group Home	1,077,349	-	-	1,077,349	951,757	-	-	951,757
Pre-Independent Living	282,645	-	-	282,645	278,981	-	-	278,981
Family Partners	-	-	-	-	2,711	-	-	2,711
Pyramid	191,991	-	-	191,991	122,847	-	-	122,847
On Point	127,054	-	-	127,054	105,838	-	-	105,838
Foster Care	764,489	-	-	764,489	794,852	-	-	794,852
Permanency	140,531	-	-	140,531	157,484	-	-	157,484
	2,584,059	-	-	2,584,059	2,414,470	-	-	2,414,470
Supporting Services								
Management and General	189,230	-	-	189,230	175,676	-	-	175,676
Fundraising	351,913	-	-	351,913	287,555	-	-	287,555
	541,143	-	-	541,143	463,231	-	-	463,231
Total Functional Expense	3,125,202	-	-	3,125,202	2,877,701	-	-	2,877,701
Change in Net Assets from Operations	(142,367)	(32,664)	-	(175,031)	939	186,769	-	187,708
Nonoperating Activities:								
Interest / Dividend Income (Note D)	56,552	-	-	56,552	49,445	-	-	49,445
Realized Gain/(Loss) (Note D)	48,532	-	-	48,532	142,255	-	-	142,255
Unrealized Gain/(Loss) (Note D)	(27,082)	-	-	(27,082)	10,008	-	-	10,008
Total Nonoperating Activities	78,001	-	-	78,001	201,707	-	-	201,707
Increase (Decrease) in Net Assets	\$ (64,366)	\$ (32,664)	\$ -	\$ (97,030)	\$ 202,646	\$ 186,769	\$ -	\$ 389,415
Net Assets - Beginning of Year	2,999,698	322,431	-	3,322,129	2,797,052	135,662	-	2,932,714
Net Assets - End of Year	\$ 2,935,333	\$ 289,767	\$ -	\$ 3,225,100	\$ 2,999,698	\$ 322,431	\$ -	\$ 3,322,129

The accompanying notes and auditor's report are an integral part of these financial statements.

The Plummer Home For Boys, Inc.

Statements of Functional Expenses

For the Year Ended June 30, 2015

	Program Services							Supporting Services			
	Group Home	Independent Living	Pyramid	On Point	Foster Care	Permanency	Total	Management & General	Fundraising	Total	Total
Compensation and Related Expenses:											
Payroll	\$ 648,245	\$ 187,474	\$ 84,274	\$ 82,913	\$ 334,709	\$ 55,282	\$ 1,392,897	\$ 49,204	\$ 197,333	\$ 246,537	\$ 1,639,434
Fringe Benefits	75,069	14,326	10,947	2,922	30,193	5,642	139,099	4,152	17,298	21,450	160,549
Payroll Taxes	55,800	16,243	7,005	6,916	27,033	4,975	117,972	4,129	15,197	19,326	137,298
Total Compensation and Related Expenses	779,114	218,043	102,226	92,751	391,935	65,899	1,649,968	57,485	229,820	287,313	1,937,201
Consultants	4,849	519	2,259	4,675	24,857	53,031	90,190	48,998	19,803	68,801	158,991
Contracted Care	21,277	1,820	-	-	-	-	23,097	-	-	-	23,097
Bad Debt	-	-	787	-	-	-	787	-	-	-	787
Program Supplies	23,029	7,667	3,940	1,296	3,254	288	39,474	2,850	1,282	4,132	43,606
Music	11,817	-	-	6,289	-	-	18,106	-	2,390	2,390	20,496
Foster Care Expenses	-	-	-	-	259,541	-	259,541	-	-	-	259,541
Group Therapy	-	-	-	11,735	-	-	11,735	-	-	-	11,735
Recreation	17,382	2,800	-	2,448	27	-	22,657	-	-	-	22,657
Drivers Education	450	1,528	-	-	-	-	1,978	-	-	-	1,978
Resident Transportation	1,404	1,542	213	-	-	359	3,518	-	-	-	3,518
Work Program	778	-	-	712	-	-	1,490	-	-	-	1,490
Repairs & Maintenance	29,730	5,100	-	63	2,335	-	37,228	508	471	979	38,207
Rent (Note L)	-	-	52,580	-	30,000	-	82,580	-	-	-	82,580
Depreciation (Note C)	44,261	3,758	-	-	-	-	48,019	2,425	970	3,395	51,414
Meals	46,363	13,367	10,296	3,788	1,966	85	75,865	1,939	344	2,283	78,148
Insurance	-	-	-	-	8,100	-	8,100	23,446	-	23,446	31,546
Office Expense	487	170	97	205	579	562	2,100	3,207	18,405	21,612	23,712
Office Supplies	2,407	717	79	189	1,049	-	5,241	1,320	616	1,936	7,177
Client Personal Allowances	27,123	9,927	6,165	-	11,579	-	54,794	-	-	-	54,794
Investment Expense	-	-	-	-	-	-	-	17,673	-	17,673	17,673
Utilities	29,948	6,467	7,758	976	8,943	2,928	57,020	1,501	7,186	8,687	65,707
Professional Fees	352	88	-	-	138	248	826	22,781	-	22,781	23,607
Telephone	4,490	1,439	889	872	4,405	354	12,449	447	1,402	1,849	14,298
Membership Dues	4,625	857	-	-	295	172	5,949	2,108	739	2,847	8,796
Marketing & PR Expense	970	376	376	970	1,733	-	4,425	-	9,664	66,747	71,172
Event Expense	-	-	-	-	-	-	-	-	57,083	57,083	-
Training	4,873	1,122	934	-	1,938	5,252	14,119	280	1,363	1,643	15,762
Transportation	21,620	5,338	3,392	85	11,015	11,353	52,803	2,085	367	2,452	55,255
Interest Expense (Note K)	-	-	-	-	-	-	-	177	-	177	177
Total Operating Expenses	\$ 1,077,349	\$ 282,645	\$ 191,991	\$ 127,054	\$ 764,489	\$ 140,531	\$ 2,584,059	\$ 189,230	\$ 351,913	\$ 541,143	\$ 3,125,202

The accompanying notes and auditor's report are an integral part of these financial statements.

The Plummer Home For Boys, Inc.

Statements of Functional Expenses

For the Year Ended June 30, 2014

	Program Services							Supporting Services				
	Group Home	Pre-Independent Living	Family Partners	Pyramid	On Point	Foster Care	Permanency	Total	Management & General	Fundraising	Total	Total
Compensation and Related Expenses:												
Payroll	\$ 550,395	\$ 183,167	\$ 2,160	\$ 33,210	\$ 65,307	\$ 345,638	\$ 71,921	\$ 1,251,799	\$ 64,256	\$ 200,470	\$ 264,726	\$ 1,516,525
Fringe Benefits	47,278	18,736	264	3,310	2,050	27,024	3,776	102,437	4,130	13,444	17,574	120,011
Payroll Taxes	52,803	16,958	205	3,246	6,120	29,841	6,815	115,988	4,721	16,906	21,627	137,614
Total Compensation and Related Expenses	650,477	218,861	2,629	39,766	73,477	402,502	82,511	1,470,224	73,106	230,821	303,927	1,774,151
Consultants	9,130	195	-	563	-	8,383	58,335	76,605	16,431	8,044	24,474	101,079
Contracted Care	21,229	5,307	-	-	-	-	-	26,537	-	-	-	26,537
Program Supplies	23,755	6,971	-	12,598	1,961	10,324	-	55,608	4,088	3,236	7,324	62,932
Music	9,705	2,280	-	50	7,154	-	-	19,189	-	2,164	2,164	21,353
Foster Care Expenses	-	-	-	-	-	285,476	-	285,476	-	-	-	285,476
Group Therapy	2,550	750	-	75	9,960	-	-	13,335	-	-	-	13,335
Recreation	15,615	1,707	-	55	1,075	362	-	18,814	-	-	-	18,814
Drivers Education	2,034	430	-	307	-	-	-	2,771	-	-	-	2,771
Resident Transportation	3,627	829	-	228	-	17	510	5,211	-	-	-	5,211
Work Program	3,508	-	-	-	6,229	-	-	9,737	-	-	-	9,737
Repairs & Maintenance	33,294	5,575	-	112	1,000	2,280	-	42,261	1,762	656	2,419	44,680
Rent (Note L)	-	-	-	48,344	-	30,000	-	78,344	-	-	-	78,344
Depreciation (Note C)	43,173	6,081	-	-	-	-	-	49,254	2,534	996	3,529	52,784
Meals	36,167	8,520	-	9,286	3,892	1,074	686	59,625	1,476	325	1,801	61,426
Insurance	-	-	-	-	-	6,770	-	6,770	22,492	-	22,492	29,262
Office Expense	3,743	1,473	-	886	-	3,390	455	9,947	2,395	8,304	10,699	20,646
Office Supplies	3,600	1,214	-	89	260	4,646	273	10,081	9,276	16,508	25,784	35,865
Client Personal Allowances	27,686	6,291	-	4,618	-	14,526	-	53,121	-	-	-	53,121
Investment Expense	-	-	-	-	-	-	-	-	16,177	-	16,177	16,177
Utilities	27,752	3,962	-	3,553	-	7,474	-	42,741	1,692	682	2,373	45,114
Professional Fees	-	-	-	-	-	538	-	538	17,310	963	10,273	18,810
Telephone	7,590	1,930	-	485	748	4,294	10	15,057	1,069	1,713	2,782	17,840
Membership Dues	3,652	578	-	-	-	37	-	4,268	2,266	1,680	3,946	8,214
Development Cultivation	-	-	-	-	-	75	-	75	-	9,885	9,885	9,960
Training	3,643	875	-	-	-	872	3,715	9,105	1,340	813	2,153	11,258
Transportation	19,825	5,154	82	1,831	83	11,800	10,988	49,761	1,730	766	2,496	52,257
Interest Expense (Note K)	-	-	-	-	-	14	-	14	533	-	533	547
Total Operating Expenses	\$ 951,757	\$ 278,981	\$ 2,711	\$ 122,847	\$ 105,838	\$ 794,852	\$ 157,484	\$ 2,414,469	\$ 175,676	\$ 287,595	\$ 463,231	\$ 2,877,700

The accompanying notes and auditor's report are an integral part of these financial statements.

The Plummer Home For Boys, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	<u>Total 2015</u>	<u>Total 2014</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (97,030)	\$ 389,416
Adjustments to Reconcile Net Assets To Net Cash Provided by Operating Activities:		
Depreciation (Note 2)	51,415	52,784
Gain on sale of Asset	-	-
Realized (Gain)/Loss on Long-Term Investments	48,532	(142,255)
Unrealized (Gain)/Loss on Long-Term Investments	(27,082)	(10,008)
(Increase) Decrease in Accounts Receivable	6,565	(10,200)
(Increase) Decrease in Contributions Receivable	(8,550)	-
(Increase) Decrease in Pledges Receivable	(4,568)	(221,051)
(Increase) Decrease in Interest and Dividends Receivable	(1,204)	638
(Increase) Decrease in Prepaid Expenses	6,735	(28,978)
Increase (Decrease) in Accounts Payable	17,689	(10,083)
Increase (Decrease) in Accrued Expenses	1,500	(4,407)
Increase (Decrease) in Accrued Payroll and Payroll Taxes	13,485	6,923
Increase (Decrease) in Deferred Revenue	2,011	21,459
Net Cash Provided by Operating Activities	<u>9,498</u>	<u>44,238</u>
Cash Flow from Investing Activities		
Proceeds from Sales of Long-Term Investments	696,334	738,457
Purchases of Long-Term Investments	(776,150)	(771,789)
Proceeds from Sale of Asset	-	-
Purchase of Fixed Assets	-	(20,422)
Net Cash Used by Investing Activities	<u>(79,816)</u>	<u>(53,754)</u>
Cash Flow from Financing Activities		
Repayments of Capital Lease	(2,604)	(2,501)
Net Cash Used by Financing Activities	<u>(2,604)</u>	<u>(2,501)</u>
Increase (Decrease) in Cash	\$ (72,922)	\$ (12,017)
Cash and Cash Equivalents - Beginning of Year	<u>\$ 453,398</u>	<u>\$ 465,415</u>
Cash and Cash Equivalents - End of Year	<u>\$ 380,476</u>	<u>\$ 453,398</u>

See Note j For Supplemental Cash Information.

The accompanying notes and auditor's report are an integral
part of these financial statements.

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

A. Nature of Activities and Summary of Significant Accounting Policies:

Nature of activities:

The Plummer Home for Boys, Inc. (the "Organization") is a nonprofit organization founded in 1855 as a residential treatment home for boys. The organization's current programs include a Group Home for adolescent boys ages 13-22; a pre-independent living program for adolescent boys ages 16-22; a supervised apartment program providing community based apartments to young adults ages 18-22; a Family Partner Program providing flexible in-home support to adolescents and their families; a permanency program identifying families for youth across all programs; a community-based alternative to detention program for court involved youth; and foster care providing trained and supported foster families for children ages 0-22 in the child welfare system. The Organization is supported primarily through contracts with the Massachusetts Department of Children and Families.

Basis of accounting:

The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Advertising Costs:

Advertising costs are charged to operations when incurred.

Basis of presentation:

Financial statement presentation under generally accepted accounting principles, Financial Statements of Not-for-Profit Organizations, requires the Organization 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.

Use of estimates:

The preparation 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with the agencies having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property and equipment:

The Organization capitalizes all expenditures for property and equipment in excess of \$1,500. Property and equipment are shown in the financial statements at historical cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets.

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

A. Nature of Activities and Summary of Significant Accounting Policies — (Continued):

Functional allocation of expenses:

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

Gifts-in-kind are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. Contributions of cash that must be used to acquire land, buildings and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Income taxes:

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. 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)(2).

Assets and Liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold based on the technical merits of the positions. Estimated interest and penalties related to uncertain tax positions are included as a component of income tax expense. There are no adjustments to the Financial Statements as a result of uncertain tax positions. The Organization is not under examination by the Federal or State taxing authorities.

Long-term investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

A. Nature of Activities and Summary of Significant Accounting Policies — (Continued):

Fair value measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization may utilize certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 — valued based on quoted prices in active markets for identical assets, from direct market inputs from sources independent of the reporting entity.

Level 2 — valued based on observable inputs that might reflect a similar, but not identical, asset in an active or inactive market.

Level 3 — valued based on significant unobservable units, which might include the assumptions of the party valuing the assets, or be the result of modeling necessitated by a lack of market activity for the security in question.

Reclassifications

Certain amounts from 2014 have been reclassified to conform to the financial statements presentations in 2015.

Donated Goods and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

B. Pledges Receivable:

The Composition of Pledges Receivable at June 30, 2015 and 2014 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Total pledges receivable outstanding	\$226,027	\$221,920
Less: unamortized discount to present value	(408)	(869)
Total pledges receivable, net	225,619	221,051
Less: current portion of pledges receivable	(101,000)	(99,750)
Noncurrent portion of pledges receivable	<u>\$124,619</u>	<u>\$121,301</u>

There was no reserve for non-collectible pledges for the years ended June 30, 2015 and 2014, respectively.

Payments of pledges receivable for each of the five fiscal years subsequent to June 30, 2015 and thereafter are as follows:

	<u>2014</u>
June 30, 2016	\$101,000
June 30, 2017	93,000
June 30, 2018	31,027
June 30, 2019	1,000
June 30, 2020 & Thereafter	0
Total	<u>\$226,027</u>

C. Property and Equipment:

Property and equipment consists of the following	<u>2015</u>	<u>2014</u>
Land	\$27,790	\$27,790
Buildings and improvements	787,525	787,525
Equipment	187,866	187,866
Vehicles	59,639	59,639
	1,062,820	1,062,820
Less: accumulated depreciation	(625,328)	(573,913)
Net property and equipment	<u>\$437,492</u>	<u>\$488,907</u>

Depreciation expense for the years ended June 30, 2015 and 2014 amounted to \$51,415 and \$52,783 respectively.

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

D. Long-Term Investments:

Long-term investments are stated at fair value and consist of the following at June 30:

<u>2015</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity	\$769,273	\$953,033	\$183,760
Fixed Income	1,069,053	1,078,193	9,140
Other Assets & ETF's	12,476	12,923	447
Cash	137,156	137,156	0
Totals	<u>\$1,987,958</u>	<u>\$2,181,305</u>	<u>\$193,347</u>

<u>2014</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$751,905	\$933,092	\$181,187
Fixed Income	1,056,626	1,093,237	36,611
Other Assets & ETF's	12,476	14,725	2,249
Cash	81,885	81,885	0
Totals	<u>\$1,902,892</u>	<u>\$2,122,939</u>	<u>\$220,047</u>

Investment return is summarized as follows for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Interest and Dividends	\$56,552	\$49,445
Net realized and unrealized Gains/(Losses)	\$21,450	\$152,262
Totals	<u>\$78,002</u>	<u>\$201,707</u>

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

E. Fair Value Measurements:

Assets measured at fair value on a recurring basis are as follows at June 30:

<u>2015</u>	Fair Value Measurements at Reporting Date Using Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Long-term Investments</u>	\$2,181,305	\$1,103,111	\$1,078,194	\$ 0
<u>2014</u>	Fair Value Measurements at Reporting Date Using Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Long-term Investments</u>	\$2,122,939	\$1,029,701	\$1,093,238	\$ 0

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

F. Restrictions/Limitations on Net Assets:

The Organization's Board of Trustees has designated unrestricted net assets for the following purposes at June 30:

	<u>2015</u>	<u>2014</u>
Long-term Investments	\$1,000,000	\$1,000,000
	<u>\$1,000,000</u>	<u>\$1,000,000</u>

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2015</u>	<u>2014</u>
Permanency	240,619	243,049
Health & Wellness	15,000	27,500
Preparedness	15,000	27,500
Other Pledges	0	10,931
Restitution	8,056	9,904
On Point	0	1,979
L Fund	488	1,068
Clothing/Coats	0	300
Softball Supplies	200	200
Furniture	5,404	0
Tech Audit	5,000	0
School	0	0
Capital Project	0	0
	<u>\$289,767</u>	<u>\$322,431</u>

Net assets released from restrictions for the years ended June 30, 2015 and 2014 were comprised of the following:

	<u>2015</u>	<u>2014</u>
Permanency	32,929	88,077
On Point	1,979	17,500
Health & Wellness	27,500	13,750
Vocational	0	5,695
Foster Care	0	5,000
Capital Project	0	3,000
School	0	1,000
L Fund	605	468
Restitution	1,848	0
Preparedness	27,500	0
Clothing/Coats	300	0
	<u>\$92,661</u>	<u>\$134,489</u>

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

H. Tax-Deferred Annuity Plan:

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. Employees who have met the minimum requirements of the plan are covered. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization did not make contributions to the plan during either of the years ended June 30, 2015 and 2014.

I. Surplus Revenue Retention:

In accordance with Massachusetts regulations, the Organization is required to calculate and report its surplus revenue retention fund pool on an annual basis. This fund pool represents the aggregate surpluses and deficits generated in the Organization's programs receiving Massachusetts government agency funds. Since the annual surplus (deficit) does not exceed levels established by regulation, the fund pool is reported as component of the unrestricted net assets of the Organization.

A reconciliation of the fund pool is as follows:

	<u>2015</u>
Balance (deficit) at June 30, 2014	(\$1,993,171)
Surplus revenue (deficit) for the year ended June 30, 2015	(492,758)
Balance (deficit) at June 30, 2015	<u>(\$2,485,929)</u>

J. Supplemental Disclosure of Cash Flow Information:

Noncash investing activity for the years ended June 30, 2015 and 2014 consisted of the disposal of fully depreciated property and equipment in the amount of \$0 and \$0 respectively. The Organization received in-kind contributions of \$30,000 and \$30,000 for the years ended June 30, 2015 and 2014, respectively. The Organization had no noncash transactions during the years ended June 30, 2015 and 2014. The Organization paid interest of \$177 and \$547 during the years ended June 30, 2015 and 2014. The Organization did not pay any taxes during the years ended June 30, 2015 and 2014.

K. Obligation Under Capital Lease:

The Organization entered into a lease for a new telephone system on April 21, 2010 and ending on June 21, 2015. The interest rate on the lease is 13.37% with a monthly payment of \$253. The carrying value of assets purchased under capital lease is \$0 and \$1,090 at June 30, 2015 and 2014, respectively.

Future Minimum Lease Payments were as follows on June 30, 2015:

	<u>2015</u>	<u>2014</u>
Future Minimum Lease Payments	\$0	\$2,781
Less: Amount Representing Interest	(0)	(177)
Present Value of Net Minimum Lease Payments under Capital Lease Obligations	<u>0</u>	<u>2,604</u>
Less: Current Portion	0	(2,604)
Long Term Capital Lease Obligations	<u>\$ 0</u>	<u>\$ 0</u>

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

K. Obligation Under Capital Lease (continued):

Principal maturities of obligation under capital leases are as follows on June 30, 2015:

	<u>2015</u>
June 30, 2016	0
June 30, 2017	0
June 30, 2018	0
June 30, 2019	0
June 30, 2020 & Thereafter	0
Total Capital Lease Obligations	\$ 0

L. Commitments

On March 18, 2013, the Organization entered into a lease agreement to rent space in Lowell, Massachusetts. The term is for 33 months, ending on August 30, 2015. The lease calls for monthly payments of \$2,500 for the entire term. The rent was paid by another organization for the years ended June 30, 2015 and 2014. The Organization also pays rent for clients as part of their Community Supported Apartment program. Rent expense for the years ended June 30, 2015 and 2014 totaled \$82,580 and \$78,344.

June 30, 2016	\$5,000
June 30, 2017	0
June 30, 2018	0
June 30, 2019	0
June 30, 2020 & Thereafter	0
Total	\$5,000

M. Concentrations:

The Organization maintains multiple bank accounts at Multiple Banks. Deposits held in noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured amount is \$250,000. The term "noninterest-bearing transaction account" includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest and money market accounts. The amount that exceeded the Federally insured limit was \$0 and \$60,400, respectively.

The Organization received approximately 67% and 73% of its total support from the Department of Children and Families of the Commonwealth of Massachusetts for the years ended June 30, 2015 and 2014, respectively. All revenue is derived from Massachusetts sources.

N. Donated Goods and Services

The Organization received the following donated goods and services during the years ended June 30, 2015 and 2014:

Rent	\$30,000	\$30,000
Fixed Assets	0	0
Investments	\$25,327	117,473

THE PLUMMER HOME FOR BOYS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2015 AND 2014

O. Subsequent Events:

The Organization has evaluated all subsequent events through October 29, 2015, the day the financials were available to be issued. There were no subsequent events noted.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
The Plummer Home For Boys, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Plummer Home For Boys, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Plummer Home For Boys, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Plummer Home For Boys, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Plummer Home For Boys, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Plummer Home For Boys, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McCarney + Company, LLC

Chelmsford, MA

October 29, 2015



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To the Board of Directors of
The Plummer Home For Boys, Inc.:

Independent Auditor's Report on Additional Information

Our report on our audit of the basic financial statements of The Plummer Home For Boys, Inc. for June 30, 2015 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A and B, (Schedules MH, PDT, & SA as appropriate) of the Uniform Financial Report is presented solely for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of The Plummer Home For Boys, Inc., Organization's management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion on it.

McLarney & Company, LLC

Chelmsford, MA
October 29, 2015

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Acknowledgment of the Board of Directors

Members of the Board of Directors of *The Plummer Home For Boys, Inc.*, met on November 2, 2015 and have voted to recognize and accept the representations of management and the expression of opinions by McLarney & Company, L.L.C. as embodied in the Basic Financial Statements, Supplementary and Subsidiary Financial Statements and Schedules and Independent Auditor's Reports contained in the Uniform Financial Statements and Independent Auditor's Report (UFR) for the period ended June 30, 2015.

In addition, members of the Board of Directors of *The Plummer Home For Boys, Inc.* hereby certify under penalty of perjury that to the best of our knowledge and belief, all material related party relationships and transactions, as defined by 808 CMR 1.02 and generally accepted government auditing standards, have been correctly and completely disclosed by management in the notes to the financial statements and schedules of the UFR for the period ended June 30, 2015.

Signatory for the Board of Directors

Name: Kim Mender

Title: Treasurer

Date: 11/2/2015