

**Black Ministerial Alliance of Greater Boston, Inc.**

**Financial Statements  
And  
Auditors' Report**

**December 31, 2011 with Comparative Totals for 2010**

# JAMES P. DEBIASI, P.C.

Certified Public Accountant

46 Winthrop Avenue  
Revere, MA 02151

Tel: 781-286-1320  
Fax: 781-286-0525  
jim@jamesdebiasi.com

The Board of Directors  
**Black Ministerial Alliance of Greater Boston, Inc.**

## *Independent Auditors' Report*

We have audited the accompanying statement of financial position of the Black Ministerial Alliance of Greater Boston, Inc. (a Massachusetts corporation, not for profit) as of December 31, 2011, and related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the corporation's December 31, 2010 financial statements, and, in our report dated April 30, 2011, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Black Ministerial Alliance of Greater Boston, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying schedules of program activities and federal awards are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2012, on our consideration of the company'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "James P. DeB...". The signature is written in a cursive style with a horizontal line at the end.

May 17, 2012

**Black Ministerial Alliance of Greater Boston, Inc.**  
Statement of Financial Position  
December 31, 2011  
With Comparative Totals for 2010

	<u>2011</u>	<u>2010</u>
<i>Assets</i>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 870,015	\$ 806,925
Accounts receivable	182,412	320,897
Promises to give	0	0
Prepaid expenses	34,536	30,030
Total Current Assets	1,086,963	1,157,852
<i>Fixed Assets:</i>		
Office equipment	122,534	122,534
Less: accumulated depreciation	( 106,601)	( 98,268)
Net Fixed Assets	15,933	24,266
<i>Other Assets:</i>		
Security deposit	6,159	6,159
Total Assets	\$1,109,055	\$1,188,277
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 39,265	\$ 52,670
Accrued expenses	104,789	109,685
Total Current Liabilities	144,054	162,355
<i>Net Assets</i>		
Unrestricted	156,333	231,268
Temporarily restricted	808,668	794,654
	965,001	1,025,922
Total Liabilities and Net Assets	\$1,109,055	\$1,188,277

*See accompanying notes to financial statements.*

**Black Ministerial Alliance of Greater Boston, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**  
**With Comparative Totals for 2010**

	<b>2011</b>			<b>2010</b>
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>	<i>Total</i>
<i>Revenue and Support</i>				
Grants and contributions	\$ 3,512,138	\$ 697,787	\$ 4,209,925	\$ 3,239,552
Contract revenue	160,835		160,835	172,483
Program fees	176,482		176,482	131,392
Interest income	1,810		1,810	287
Other income	16,509		16,509	9,909
Net assets released from restrictions:				
Satisfaction of use restriction	683,774	( 683,774)	0	0
<b>Total Revenue and Support</b>	<b>4,551,548</b>	<b>14,013</b>	<b>4,565,561</b>	<b>3,553,623</b>
<i>Expenses</i>				
Program services	4,507,824		4,507,824	3,542,090
Fundraising	118,658		118,658	144,493
Management & general	0	0	0	0
<b>Total Expenses</b>	<b>4,626,482</b>		<b>4,626,482</b>	<b>3,686,583</b>
Change in net assets	( 74,934)	14,013	( 60,921)	( 132,960)
Net assets, beginning of year	231,267	794,655	1,025,922	1,158,882
Net assets, end of year	<b>\$ 156,333</b>	<b>\$ 808,668</b>	<b>\$ 965,001</b>	<b>\$ 1,025,922</b>

*See accompanying notes to financial statements.*

**Black Ministerial Alliance of Greater Boston, Inc.**

Statement of Changes in Net Assets  
For the Year Ended December 31, 2011  
With Comparative Totals for 2007-2010

*2011*

<i>Change in Net Assets</i>	<u><i>Unrestricted</i></u>	<u><i>Temporarily Restricted</i></u>	<u><i>Permanently Restricted</i></u>	<u><i>BMA Total</i></u>
NET ASSETS, December 31, 2007	\$ 335,564	\$ 553,500		\$ 889,064
Changes in net assets	<u>10,106</u>	<u>278,541</u>	<u>0</u>	<u>288,647</u>
NET ASSETS, December 31, 2008	345,670	832,041		1,177,711
Changes in net assets	<u>( 20,349)</u>	<u>1,520</u>	<u>0</u>	<u>( 18,829)</u>
NET ASSETS, December 31, 2009	325,321	833,561		1,158,882
Changes in net assets	<u>( 94,054)</u>	<u>( 38,906)</u>	<u>0</u>	<u>( 132,960)</u>
NET ASSETS, December 31, 2010	231,267	794,655		1,025,922
Change in Net Assets	<u>( 74,934)</u>	<u>14,013</u>	<u>0</u>	<u>( 60,921)</u>
NET ASSETS, December 31, 2011	<u>\$ 156,333</u>	<u>\$ 808,668</u>	<u>0</u>	<u>\$ 965,001</u>

*See accompanying notes to financial statements.*

**Black Ministerial Alliance of Greater Boston, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2011**  
**With Comparative Totals for 2010**

	<u>2011</u>			<u>2010</u>	
<i>Description:</i>	<i>Program Services</i>	<i>Fundraising</i>	<i>Management and General</i>	<i>Total</i>	<i>Total</i>
Payroll expenses	\$ 2,332,512	\$ 30,527	\$ 34,540	\$ 2,397,579	\$ 1,735,781
Professional fees	16,238	63	2,204	18,505	15,307
Consultants	507,600	49,950	11,797	569,347	325,737
Contracted services	86,924	0	0	86,924	5,296
Insurance	12,291	0	33	12,324	12,261
General	111,875	3,129	15,919	130,923	120,538
Occupancy	88,729	0	5,217	93,946	75,491
Depreciation	0	0	8,333	8,333	8,448
Travel	47,497	648	3,187	51,332	17,039
Telephone	5,160	0	9,612	14,772	12,148
Utilities	3,115	0	4,360	7,475	7,666
Technical assistance	174,553	0	0	174,553	224,802
Grants	964,540	0	0	964,540	1,050,969
Special events	68,774	22,305	4,850	95,929	75,100
Total	<u>\$ 4,419,808</u>	<u>\$ 106,622</u>	<u>\$ 100,052</u>	<u>\$ 4,626,482</u>	<u>\$ 3,686,583</u>
Allocation of Indirect Costs	<u>88,016</u>	<u>12,036</u>	<u>( 100,052)</u>	<u>0</u>	<u>0</u>
	<u>\$ 4,507,824</u>	<u>\$ 118,658</u>	<u>\$ 0</u>	<u>\$ 4,626,482</u>	<u>\$ 3,686,583</u>

*See accompanying notes to financial statement.*

**Black Ministerial Alliance of Greater Boston, Inc.**

Statement of Cash Flows

For the Year Ended December 31, 2011

With Comparative Totals for 2010

	<u>2011</u>	<u>2010</u>
<i>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities</i>		
Change in net assets	(\$ 60,921)	(\$ 132,960)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,333	8,448
(Increase)/decrease in operating assets:		
Promises to give	0	0
Accounts receivable	138,485	5,896
Increase/(decrease) in operating liabilities:		
Accounts payable	( 13,554)	47,545
Accrued expenses	( 4,896)	66,880
Prepaid expenses	( 4,507)	( 22,278)
Net cash provided by operating activities	<u>\$ 62,940</u>	<u>( 26,469)</u>
<i>Cash Flows from Investing Activities:</i>		
(Purchase) of fixed assets	0	0
(Purchase)/Refund of security deposit	0	( 1,096)
Net cash (used) in investing activities	<u>0</u>	<u>( 1,096)</u>
Net increase/(decrease) in cash	62,940	( 27,565)
Cash, beginning of year	<u>807,075</u>	<u>834,490</u>
Cash, end of year	<u>\$ 870,015</u>	<u>\$ 806,925</u>
<i>Supplemental disclosure:</i>		
Cash paid for interest	<u>\$ 0</u>	<u>\$ 0</u>

*See accompanying notes to financial statement.*



**Black Ministerial Alliance of Greater Boston, Inc.**  
Notes to Financial Statements  
December 31, 2011

**1. Operations**

The Black Ministerial Alliance of Greater Boston, Inc. ("the BMA") is a not for profit organization, established under the laws of the Commonwealth of Massachusetts and tax exempt under Section 501(c)(3) of the Internal Revenue Code. The BMA was incorporated to provide after school activities and education for the children of Boston.

*Victory Generation After-School Program*

Since its inception in 1999, Victory Generation offers culturally appropriate after-school programming. The program's mission is to improve the academic performance, enhance the self-discipline and to maximize the potential and opportunities available for children ages 5-14 years old, living in Boston's low-income neighborhoods. House in state-licensed church sites, the program annually serves 450 students at 10 affiliated sites. The program works with each child, its families and their schools to enable children to develop fully to reach their academic and social potential.

*Boston Capacity Tank*

Founded in 2002, the Boston Capacity Tank is a unique partnership between the BMA, United Way of Massachusetts Bay, Emmanuel Gospel Center and Boston TenPoint Coalition. The Boston Capacity Tank taps the resources of its partners to help strengthen the program and management capacity of organizations serving at-risk and high-risk youth in Boston. This collaborative program provides capacity-building grants, assessments, technical assistance, and training workshops and facilitates monthly High-Risk Youth Network forums to build constructive dialogue between faith-based and community-based institutions and the private and public sectors. Finally, the program hosts an annual conference, enabling close to 350 youth service providers, funders and employers to share lessons learned and to develop joint activities that strengthen the community's ability to address the needs of the city's high-risk youth.

*Black Church Capacity Building Program*

Established in 1995 by several local foundations, faith leaders, and community leaders, the Black Church Capacity Building Program provides Black Churches with capacity-building grants, training and technical assistance that enable churches in Boston, Cambridge, Lynn, Chelsea and Somerville to strengthen and expand their community services and social ministries.

**Black Ministerial Alliance of Greater Boston, Inc.**

Notes to Financial Statements

December 31, 2011

*Street Safe Project*

Street Safe Boston is an initiative launched by The Boston Foundation that seeks to dramatically reduce youth violence in a subset of Boston neighborhoods that disproportionately and persistently suffer from high rates of violent crime. It targets youth from ages 16-24 and gives them alternatives to violence and gang activities by providing educational supports, job training, employment support, family support, and recreational activities. This initiative targets the neighborhoods of Mattapan, Bowdoin/Geneva, Morton/Norfolk, Dudley, and the South End/Lower Roxbury.

The Black Ministerial Alliance plays several critical roles in this initiative. Most importantly, it serves as the employer and manager of the program coordinators, individuals hired to connect the targeted youth population with the services and supports they need. The BMA also manages the petty cash for the five neighborhoods identified above. The BMA acts as an intermediary for small grants to organizations that serve in these neighborhoods and the BMA negotiates and manages the memoranda of agreement with the service providers that serve the target population. Finally, BMA participates in the development and implementation of strategy for the overall initiative.

*Healthy Futures*

Beginning in 2010, the Healthy Futures program represents an initiative by the US Department of Health and Human Services in partnership with The Black Ministerial Alliance of Greater Boston, Inc. (the "BMA") focusing on teenage pregnancy prevention and personal responsibility education programs. The project targets high risk, vulnerable and culturally under-represented youth populations.

*Fiscal Partnerships*

The Fiscal Partnership Initiative (FPI) is a program of the BMA in which it provides administrative "back office" services for qualified nonprofit organizations. The purpose is to provide a method for smaller nonprofit community-based organizations and faith-based organizations (FCBOs) to obtain high quality administrative services in a way that is cost effective. Also, FPI allows the BMA to provide critical organizational strengths to smaller FCBOs in order to help them grow in effectiveness.

**2. *Summary of Significant Accounting Policies***

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

**Black Ministerial Alliance of Greater Boston, Inc.**

Notes to Financial Statements

December 31, 2011

*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 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

*Fixed Assets*

Fixed assets are stated at cost. Major improvements and betterments to existing property are capitalized. Expenditures for maintenance and repairs that do not extend the lives of the applicable assets are expensed as incurred. Depreciation on buildings and improvements has been provided on the straight-line method over their estimated useful lives.

Buildings	15-40 years
Building Improvements	10-15 years
Furniture and Fixtures	5 years
Computer Equipment and Other	3 years

*Cash and Cash Equivalents*

For the purpose of the statements of cash flows, all highly liquid debt instruments with maturities of three months or less at purchase are considered cash equivalents.

*Revenue and Support*

Contract revenue and client fees are recorded over the contract period as services are provided. Developer fees are recognized as earned and deemed collectible. All other revenue is recognized as earned.

Unrestricted grants and contributions are recorded as revenue when received or unconditionally pledged. Donor restricted grants and contributions are recorded as temporarily restricted revenues and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as costs are incurred or time restrictions or program restrictions have lapsed. Donor restricted grants and contributions received and satisfied within the same year are included in unrestricted net assets.

**Black Ministerial Alliance of Greater Boston, Inc.**  
Notes to Financial Statements  
December 31, 2011

*Advertising*

Advertising costs are expensed as incurred.

*Functional Allocation of Expenses*

The costs of providing program activities and other activities have been summarized on a functional basis between fund raising and management and general costs, in the Statement of Activities. Accordingly, certain costs have been allocated among the programs based on direct charges and personnel time estimates.

*Promises to Give*

Contributions are recognized when the donor makes a promise to give to the BMA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The BMA uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**3. *Net Assets***

This account represents the cumulative excess of revenue, gains and other support over expenses. Net assets consist of three components, unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are not restricted as to use by donors. Temporarily restricted net assets are donated assets whose use by BMA is limited by donor imposed restrictions that either expire with the passage of time or can be fulfilled and removed by actions of BMA pursuant to those stipulations. Permanently restricted net assets are donated assets whose use by BMA is limited by donor imposed restrictions that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of BMA. At December 31, 2011, the BMA had no permanently restricted net assets and the temporarily restricted net assets were restricted for use in the following programs:

**Black Ministerial Alliance of Greater Boston, Inc.**  
Notes to Financial Statements  
December 31, 2011

<u>Program</u>	<u>2011 Amount</u>	<u>2010 Amount</u>
Cncs Matching	\$ 92,133	\$ 100,000
Victory Generation After School Program	161,531	164,940
Boston Capacity Tank	150,581	158,080
The Clapham Set	0	44,199
Black Church Capacity Building Program	0	10,000
Fiscal Partnerships	56,067	0
Street Safe Project	348,356	301,675
DDH	0	15,760
Total	<u>\$ 808,668</u>	<u>\$ 794,654</u>

**4. Promises to Give**

Upon the foundations' assessment of BMA's progress made toward program goals. Promises to give are due in 2012.

**5. Operating Lease**

BMA has entered into a five-year non-cancellable operating lease for office space, beginning on July 1, 2009 and ending on June 30, 2014. Lease expense for the year ended December 31, 2011 was \$60,745. BMA is currently paying \$5,062 per month. A security deposit exists on this lease in the amount of \$5,062.

The future minimum rentals over the remaining period of this Lease are:

2012	\$ 60,745
2013	\$ 60,745
2014	\$ 30,372

**Black Ministerial Alliance of Greater Boston, Inc.**  
Notes to Financial Statements  
December 31, 2011

**6. Concentration**

*Revenue and Support*

During 2011, the BMA received 49% of its total revenue and support from twenty (20) charitable foundations. Additionally, the grant from the Federal government represented approximately 42% of BMA's total revenue in 2011.

*Credit Risk*

The BMA maintains cash at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2011, accounts at this institution exceeded the FDIC insurance coverage limits by \$620,015. The BMA has not experienced any losses in the accounts and believes it is not exposed to any significant credit risk on cash balances within those accounts.

**SUPPLEMENTAL INFORMATION**

**Black Ministerial Alliance of Greater Boston, Inc.**  
Schedule of Program Activities  
For the Year Ended December 31, 2011

Description	Management & General	Fundraising	Black Church Capacity Building Program	Boston Capacity Tank	Street Safe Project	Victory Generation	Fiscal Partnerships	Healthy Futures TPP	2011 Total
Payroll	\$ 34,540	\$ 30,527	\$ 24,529	\$ 348,736	\$ 1,163,909	\$ 96,969	\$ 140,507	\$ 557,862	\$ 2,397,579
Consultants	11,797	49,950	0	150,984	101,715	1,500	17,650	235,751	569,347
Technical Assistance	0	0	0	28,160	134,716	0	11,677	0	174,553
Professional Fees	2,204	63	46	4,257	2,561	2,095	311	6,968	18,505
Management & General	15,919	3,129	1,621	20,108	8,953	1,699	10,288	69,206	130,923
Travel	3,187	648	0	139	14,228	982	4,687	27,461	51,332
Contracted Services	0	0	0	0	33,348	0	900	52,676	86,924
Grants	0	0	750	803,826	49,660	110,304	0	0	964,540
Special Events	4,850	22,305	10,053	5,292	49,887	1,001	2,402	139	95,929
Utilities	4,360	0	0	0	0	1,600	0	1,515	7,475
Telephone	9,612	0	0	0	53	1,190	0	3,917	14,772
Insurance Expense	33	0	0	264	2,123	94	246	9,564	12,324
Occupancy	5,217	0	0	42,920	0	20,975	0	24,834	93,946
Depreciation Expenses	8,333	0	0	0	0	0	0	0	8,333
Interest Expense	0	0	0	0	0	0	0	0	0
Total Direct Costs	100,052	106,622	36,999	1,404,686	1,561,153	238,409	188,668	989,893	4,626,482
Alloc. Of Indirect Costs	( 100,052)	12,036	4,182	56,920	0	26,914	0	0	0
Total Program Costs	\$ 0	\$ 118,658	\$ 41,181	\$ 1,461,606	\$ 1,561,153	\$ 265,323	\$ 188,667	\$ 989,893	\$ 4,626,482



**Black Ministerial Alliance of Greater Boston, Inc.**  
Schedule of Program Activities  
For the Year Ended December 31, 2010

Description	Management & General	Fundraising	Black Church Capacity Building Program	Boston Capacity Tank	Street Safe Project	Victory Generation	The Clapham Set	Fiscal Partnerships	Healthy Futures TPP	2010 Total
Payroll	\$ 52,081	\$ 0	\$ 11,021	\$ 412,766	\$ 930,782	\$ 188,667	\$ 67,724	\$ 0	\$ 72,740	\$1,735,781
Consultants	7,822	76,918	2,938	215,954	1,275	18,330	2,500	0	0	325,737
Technical Assistance	0	0	0	97,670	68,025	10,146	10,816	38,145	0	224,802
Professional Fees	4,557	0	0	5,667	1,478	3,446	124	0	35	15,309
Management &										
General	15,029	4,975	936	54,559	6,921	18,700	676	7,005	11,737	120,538
Travel	4,621	0	0	4,352	2,120	4,778	0	0	1,168	17,037
Contracted Services	3,716	0	0	162	0	744	0	0	674	5,296
Grants	0	0	4,075	387,306	0	139,939	0	519,649	0	1,050,969
Special Events	927	45,888	7,545	1,611	14,618	3,391	0	1,000	120	75,100
Utilities	6,304	0	0	0	0	992	0	0	370	7,666
Telephone	7,588	0	511	2,789	0	1,220	0	0	40	12,148
Insurance Expense	1,458	0	0	5,832	1,094	3,814	0	0	63	12,261
Occupancy	11,555	0	0	40,594	0	11,886	2,000	6,000	3,456	75,491
Depreciation Expenses	6,855	0	0	0	0	1,593	0	0	0	8,448
Interest Expense	0	0	0	0	0	0	0	0	0	0
Total Direct Costs	122,513	127,781	27,026	1,229,262	1,026,313	407,646	83,840	571,799	90,403	3,686,583
Alloc. Of Indirect Costs	( 122,513)	16,712	3,372	63,067	0	39,362	0	0	0	0
Total Program Costs	\$ 0	\$ 144,493	\$ 30,398	\$1,292,329	\$1,026,313	\$ 447,008	\$ 83,840	\$ 571,799	\$ 90,403	\$3,686,583