INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEAR ENDED JUNE 30, 2019

(With Summarized Comparative Consolidated Information for 2018)

Smith Sullivan & Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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INTERSEMINARIAN - PROJECT PLACE, INC., AND SUBSIDIARIES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019
(With Summarized Comparative Consolidated Information for 2018)

Jobs – Housing – Hope

Mission Statement

Project Place provides opportunities for homeless and low-income individuals by providing the skills, education, resources, and personal supports necessary to obtain and sustain employment and housing.

www.projectplace.org

INTERSEMINARIAN - PROJECT PLACE, INC., AND SUBSIDIARIES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(With Summarized Comparative Consolidated Information for 2018)

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Interseminarian - Project Place, Inc. and Subsidiaries
Boston, Massachusetts

We have audited the accompanying consolidated financial statements of Interseminarian - Project Place, Inc. (a Massachusetts nonprofit organization) and Subsidiaries (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Interseminarian - Project Place, Inc. and Subsidiaries as of June 30, 2019 and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Interseminarian - Project Place, Inc. and Subsidiaries

Report on Summarized Comparative Information

We have previously audited Interseminarian - Project Place, Inc.'s June 30, 2018 consolidated financial statements, and our report dated October 24, 2018, expressed an unmodified opinion on these consolidated financial statements. In our opinion, the summarized comparative consolidated information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2019 on our consideration of Interseminarian - Project Place, 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 Interseminarian - Project Place, Inc.'s internal control over financial reporting and compliance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 23 - 26 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Smith, Sullivan & Brown, P.C.

Westborough, Massachusetts
September 25, 2019

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
CURRENT ASSETS:		
Cash	$ 641,536	$ 661,127
Accounts Receivable, Program Services	298,544	193,985
Accounts Receivable, Residents	7,191	5,967
Contributions Receivable	45,000	174,500
Inventory	6,246	7,969
Prepaid Expenses	12,307	30,694
Total Current Assets	1,010,824	1,074,242
PROPERTY AND EQUIPMENT:		
Property and Equipment	10,692,377	10,491,271
Less: Accumulated Depreciation	(3,865,192)	(3,595,092)
Net Property and Equipment	6,827,185	6,896,179
OTHER ASSETS:		
Board Designated Funds for Strategic Plan	1,600,000	1,440,000
Restricted Deposits and Funded Reserves	270,205	270,929
Total Other Assets	1,870,205	1,710,929
TOTAL ASSETS	$ 9,708,214	$ 9,681,350

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES:		
Accounts Payable	$ 46,124	$ 38,052
Accrued Expenses	181,756	156,196
Deferred Revenue	28,956	64,443
Total Current Liabilities	256,836	258,691
LONG-TERM LIABILITIES:		
Long-Term Deferred Payment Debt	1,900,000	1,900,000
Total Long-Term Liabilities	1,900,000	1,900,000
TOTAL LIABILITIES	2,156,836	2,158,691
NET ASSETS:		
Net Assets Without Donor Restrictions:		
Operating	1,024,193	1,075,580
Board Designated	1,600,000	1,440,000
Investment in Property and Equipment	4,927,185	4,996,179
Total Net Assets Without Donor Restrictions	7,551,378	7,511,759
Net Assets With Donor Restrictions	-	10,900
Total Net Assets	7,551,378	7,522,659
TOTAL LIABILITIES AND NET ASSETS	$ 9,708,214	$ 9,681,350

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

(With Summarized Comparative Consolidated Totals for 2018)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL ACTIVITIES 2019	TOTAL ACTIVITIES 2018
SUPPORT, REVENUES AND RECLASSIFICATIONS:				
Program Revenues:				
Government Grants and Contracts	$ 1,119,937	$ -	$ 1,119,937	$ 1,250,126
Commercial Products and Services	536,935	-	536,935	468,868
Rental Income	190,038	-	190,038	189,665
Gifts, Grants and Contributions:				
Gifts, Grants and Contributions	338,948	378,420	717,368	616,407
Special Event Proceeds	1,136,860	-	1,136,860	835,118
Less: Direct Cost of Benefits to Donors	(346,023)	-	(346,023)	(209,008)
Other Revenues:				
Miscellaneous Revenues	6,013	-	6,013	2,774
Investment Return	40,036	-	40,036	12,232
Reclassification of Net Assets:				
Satisfaction of Donor Restrictions	389,320	(389,320)	-	-
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	**3,412,064**	**(10,900)**	**3,401,164**	**3,166,182**
EXPENSES:				
Program Services:				
Program Services	2,761,183	-	2,761,183	2,451,853
Supporting Services:				
Administrative	361,830	-	361,830	308,476
Fund Raising	249,432	-	249,432	247,420
TOTAL EXPENSES	**3,372,445**	**-**	**3,372,445**	**3,007,749**
TOTAL CHANGE IN NET ASSETS	**39,619**	**(10,900)**	**28,719**	**158,433**
NET ASSETS - BEGINNING OF YEAR	**7,511,759**	**10,900**	**7,522,659**	**7,364,226**
NET ASSETS - END OF YEAR	**$ 7,551,378**	**$ -**	**$ 7,551,378**	**$ 7,522,659**

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Summarized Comparative Consolidated Totals for 2018)

	CLIENT SERVICES	EDUCATION	TRAINING & EMPLOYMENT	HOUSING	TOTAL PROGRAM SERVICES	ADMINI-STRATIVE	FUND RAISING	DIRECT EVENT COSTS	TOTAL EXPENSES 2019	TOTAL EXPENSES 2018
Personnel Expenses:										
Salaries and Wages	$ 483,772	$ 166,166	$ 596,508	$ 78,416	$ 1,324,862	$ 175,232	$ 136,698	$ -	$ 1,636,792	$ 1,517,616
Payroll Taxes	44,369	14,965	55,190	6,739	121,263	21,667	11,014	-	153,944	140,231
Fringe Benefits	52,907	10,679	50,205	5,350	119,141	19,823	13,142	-	152,106	133,820
Total Personnel Expenses	581,048	191,810	701,903	90,505	1,565,266	216,722	160,854	-	1,942,842	1,791,667
Operating Expenses:										
Occupancy Costs	47,491	17,151	63,729	58,675	187,046	15,954	12,840	-	215,840	189,683
Depreciation	45,437	35,093	40,078	108,728	229,336	20,350	20,414	-	270,100	278,807
Program Consultants	28,128	-	3,900	-	32,028	599	-	-	32,627	21,930
Staff Training	625	977	1,042	-	2,644	-	569	-	3,213	2,820
Staff Travel	1,618	138	4,148	-	5,904	328	556	-	6,788	2,402
Client Wages	-	-	318,648	-	318,648	-	-	-	318,648	227,571
Program Supplies and Activities	5,462	56,143	38,863	818	101,286	182	365	-	101,833	78,068
Fundraising Events	-	-	-	-	-	-	-	346,023	346,023	213,239
Audit Fees	-	-	-	-	-	33,025	-	-	33,025	32,850
Other Professional Fees	26,552	3,828	25,115	28,710	84,205	22,316	20,666	-	127,187	117,104
Insurance Expense	20,707	4,663	22,357	13,584	61,311	31,418	5,541	-	98,270	95,127
Program Support and Office	54,875	8,327	99,950	7,267	170,419	17,114	19,284	-	206,817	155,413
Other Expenses	150	212	2,728	-	3,090	2,904	8,343	-	14,337	10,076
Bad Debt Expense	-	-	-	-	-	918	-	-	918	-
Total Operating Expenses	231,045	126,532	620,558	217,782	1,195,917	145,108	88,578	346,023	1,775,626	1,425,090
Total Functional Expenses	**812,093**	**318,342**	**1,322,461**	**308,287**	**2,761,183**	**361,830**	**249,432**	**346,023**	**3,718,468**	**3,216,757**
Direct Cost of Benefits to Donor	-	-	-	-	-	-	-	(346,023)	(346,023)	(209,008)
Total Expenses Per the Statement of Activites	**$ 812,093**	**$ 318,342**	**$ 1,322,461**	**$ 308,287**	**$ 2,761,183**	**$ 361,830**	**$ 249,432**	**$ -**	**$ 3,372,445**	**$ 3,007,749**

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 28,719	$ 158,433
Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:		
Depreciation Expense	270,100	278,807
Net Investment (Income) Loss	(40,720)	(11,949)
(Increase) Decrease in Current Assets:		
Accounts Receivable, Program Services	(104,559)	(23,002)
Accounts Receivable, Residents	(1,224)	(123)
Contributions Receivable	129,500	(147,500)
Inventory	1,723	(1,131)
Prepaid Expenses	18,387	3,119
Increase (Decrease) in Current Liabilities:		
Accounts Payable	8,072	8,529
Accrued Expenses	25,560	(7,080)
Deferred Revenue	(35,487)	(18,895)
Net Adjustment	271,352	80,775
NET CASH PROVIDED BY OPERATING ACTIVITIES	**300,071**	**239,208**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property, Equipment and Building Improvements	(201,106)	(59,754)
Purchase of Investments	(200,000)	(400,000)
Net Cash Flows from Investing Activities	(401,106)	(459,754)
NET DECREASE IN CASH BALANCES	**(101,035)**	**(220,546)**
CASH BALANCES - BEGINNING OF YEAR	**1,331,402**	**1,551,948**
CASH BALANCES - END OF YEAR	**$ 1,230,367**	**$ 1,331,402**
Cash Balances:		
Cash	*$ 641,536*	*$ 661,127*
Board Designated Funds for Strategic Plan	*318,626*	*399,346*
Restricted Deposits and Funded Reserves	*270,205*	*270,929*
Total Cash Balances	*$ 1,230,367*	*$ 1,331,402*

NOTE 1 ORGANIZATION AND AFFILIATIONS

Interseminarian - Project Place, Inc.:

Interseminarian - Project Place, Inc. ("Project Place") is a nonprofit organization founded and incorporated in 1967, under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Project Place has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

Project Place Gatehouse, Inc.:

Project Place Gatehouse, Inc. (the "Subsidiary" or "Project Place Gatehouse") is a nonprofit organization founded and incorporated in February 2007 under the above noted provisions of the Massachusetts General Laws and the Internal Revenue Code. The Board of Directors for Project Place Gatehouse is comprised of four members of the Board of Directors for Project Place. Project Place Gatehouse owns a condominium unit located at 1145 Washington Street in Boston that houses affordable residential housing along with the Project Place program and office facilities. The residential housing consists of 14 furnished studio apartments.

The 1145 Washington Street Condominium Trust:

The 1145 Washington Street Condominium Trust (the "Condominium Trust") was established in 2014 pursuant to a Declaration of Trust under the provisions of Massachusetts General Laws, Chapter 183A, Section 10. The 1145 Washington Street Condominium consists of land and buildings divided into a restaurant/retail condominium unit, and the above noted office/commercial/residential condominium unit which is owned by Project Place Gatehouse.

Generally, each of the unit owners will be responsible for the proper maintenance and repair of its respective unit and common area to which it has exclusive rights. Operating costs applicable to the entire building, which include electricity, gas, water, sewer and property insurance, will be allocated and assessed among the unit owners in accordance with the percentages of interests in the general common elements and specific cost allocations based upon usage.

The Board of Trustees of The Condominium Trust shall consist of three members. Two trustees shall be appointed and chosen from the Project Place unit owner and one trustee shall be appointed and chosen from the restaurant unit owner.

NOTE 1 *(Continued)*

Caritas Project Place Cortes Member LLC:

Project Place owns 21% of Caritas Project Place Cortes Member LLC ("Caritas PP"), which is a managing member corporation established to participate in the Caritas Project Place Cortes LLC real estate development project. As the managing member of a limited partnership, Caritas PP owns .01% of the underlying real estate development project, consisting of 41 units of affordable housing located on Cortes Street, Boston, Massachusetts. Project Place's interest in this entity is not considered to have a financial value and, therefore, is not reflected within the Organization's books and records. Project Place is party to a service agreement to provide employment, training, and other services for the benefit of the current and future residents of the housing project with compensation set at the rate of $50,000 per year.

NOTE 2 PROGRAM SERVICES

Project Place provides essential resources to clients who want to find meaningful work and a place to call home. The Organization offers a coordinated plan of services toward clients' goals of employment, housing, and hope for the future.

A prominent social service agency in Boston, Project Place has been working in the community since 1967 serving clients in the face of significant challenges. As the needs of the population have shifted over the years, Project Place has responded by refocusing its programs to fit current needs. Since the need for jobs and housing has never been greater, Project Place operates out of a sense of urgency with compassion and the know-how to support personal change.

Until now, Project Place clients have had limited options for employment stemming from problems related to poverty and insufficient education to perform adequately in today's workplace. Most clients have experienced interruptions in the flow of their lives stemming from drug and alcohol abuse, military service, family breakdown, incarceration, domestic violence, mental illness, or a cluster of these problems that are overwhelming to overcome without assistance.

Prospective clients come to us through word-of-mouth and by referrals from community and church centers. We offer a warm welcome into the community to those who demonstrate a willingness to do the hard work necessary to set and meet long-term goals. The first requirement for admissions is a commitment to personal stability, including gaining and maintaining sobriety and meeting the full attendance requirement of the programs. In return, Project Place offers an array of programming, imparting new skills for individuals to transition out of homelessness.

Project Place believes in the success of our clients and provides support post-placement for a minimum of two years to sustain the positive strides made by our clients and to promote a career trajectory.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's consolidated financial statements are described below to enhance the usefulness of the consolidated financial statements to the reader. The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles, has in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

Principles of Consolidation:

The consolidated financial statements include the accounts of Interseminarian - Project Place, Inc., Project Place Gatehouse, Inc. and The 1145 Washington Street Condominium Trust, collectively referred to as the "Organization". All significant balances between classes of net assets and inter-organization balances and transactions among entities have been eliminated in the accompanying consolidated financial statements.

Condominium Fees received from the second unit owner have been netted against the gross common area costs and the net cost applicable to Project Place and Project Place Gatehouse has been presented within *Occupancy Costs* and allocated across programs and supporting services in accordance with the Organization's cost allocation policies.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its consolidated financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Fair Value of Financial Instruments:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

NOTE 3 *(Continued)*

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's consolidated financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.

- Recurring measurement of investments.

There have been no changes to this valuation methodology for the years ended June 30, 2019 and 2018, respectively.

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification™*, the Organizations report information regarding their combined financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification may include funds which represent resources designated by the Board of Directors for specific purposes.

Net Assets With Donor Restrictions - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

The accompanying consolidated financial statements include certain FY 2018 comparative information. With respect to the Consolidated Statement of Activities, such prior year information is not presented by net asset class and, in the Consolidated Statement of Functional Expenses, FY 2018 expenses by line item are in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2018, from which the summarized information was derived.

NOTE 3 *(Continued)*

Investments:

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statement of Financial Position. Net investment return/(loss) is reported in the Consolidated Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are classified as short or long-term depending upon the nature of the investments and the intentions of management.

Accounts Receivable:

Accounts Receivable, Program Services represents amounts which are due from government funded program service contracts, subcontracts and commercial service revenue. *Accounts Receivable, Program Services* are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. *Accounts Receivable, Program Services* are reported net of the estimated uncollectible balance. *Bad Debt Expense* on program services was $918 for the year ended June 30, 2019. No bad debts were recognized for the year ended June 30, 2018.

Accounts Receivable, Residents represents rental income amounts which are due from individual tenants. *Accounts Receivable, Residents* are stated at the amount management expects to collect from its tenants. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of the respective individuals. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. *Accounts Receivable, Residents* are reported net of the estimated uncollectible balance. No bad debt expense was recognized for the years ended June 30, 2019 and 2018 as a result of these estimates. The total bad debt expense recognized in each year includes the annual provision for the reserve allowance against resident receivables and the actual bad debts from uncollected rents.

Contributions Receivable:

Contributions Receivable reflects the balance due on unconditional promises to give, which management considers to be fully collectible. Therefore, there is no provision for uncollectible grants receivable, and there were no losses arising from uncollectible promises to give for the years presented. These consolidated financial statements do not contain a provision for uncollectible contributions receivable; therefore, if amounts become uncollectible, a provision will be established when that determination is made. Receivables are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. For the years ended June 30, 2019 and 2018, all contributions receivable were considered current.

NOTE 3 *(Continued)*

Inventory:

Inventory consists of vending machine soft drinks and snack items used in the Pepsi Project program and are stated at the lower of cost or net realizable value.

Property and Equipment:

Property, equipment, furnishing and improvement purchases in excess of $5,000 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment.

Depreciation of property and equipment is computed using the straight-line method, and is charged to activities over the following estimated useful lives of the assets, as expressed in terms of years:

Asset Category	Life
Buildings	40
Building Improvements	10 - 40
Office and Program Equipment	5 - 10
Motor Vehicles	5 - 7

Revenue Recognition:

Government Funded Service Contracts and Awards

Project Place is the recipient of various federal, state and local government funded service contracts and direct federal awards. These contracts are administered on either a cost reimbursement basis or on a unit-of-service basis; accordingly, the funding sources are billed as eligible costs are incurred or units-of-service are provided, and unrestricted program service revenues along with the related receivables are recorded in the period during which the costs were incurred and the services were delivered. These service contracts and agreements are typically subject to an annual renewal process and future funding is not guaranteed. For the years presented, the primary funding sources included the U.S. Department of Labor, the City of Boston, the Commonwealth of Massachusetts and the Suffolk County Sheriff's Department.

Commercial Products and Services

Project Place operates four ongoing businesses, referred to as *Social Enterprises*, that employ clients and program participants who complete the Work Ready program. Social Enterprises includes a cleaning business, vending machine operations and product manufacturing services. Revenue from Social Enterprises is recognized when earned as services are provided or as sales transactions are completed. Revenue that is either invoiced or received in advance is considered unearned and is recognized as *Deferred Revenue*, a current liability in the accompanying Consolidated Statements of Financial Position.

NOTE 3 *(Continued)*

Rental Income

Project Place Gatehouse receives rental income from individual, formerly homeless tenants, which is recognized when earned based upon occupancy dates. Rental income collected in advance is considered unearned and presented as *Deferred Revenue.* Four units are subsidized by the Massachusetts Rental Voucher Program ("MRVP") and overseen by the Metropolitan Boston Housing Partnership ("MBHP"). Under the MRVP, tenants are responsible for a portion of their rent which is determined using a formula prescribed by the MBHP and Affordable Housing Regulations. Ten units are subsidized by an annual grant from the City of Boston through the HUD Supportive Housing program for project-based permanent housing.

Contributions, Gifts and Grants:

As required by the *FASB Accounting Standards Codification™*, contributions are required be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions depending on the nature of the restriction until the restriction expires, at which time these amounts are reclassified to net assets without donor restrictions.

Donated Goods, Services and Facilities:

As required by the *FASB Accounting Standards Codification™*, Project Place maintains a policy whereby contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial 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 value in the period received. For the years ended June 30, 2019 and 2018, respectively, food subsidies valued at $29,659 and $17,615 were received from the Greater Boston Food Bank, and recognized as an expense with offsetting support included in *Gifts, Grants and Contributions* in the accompanying consolidated financial statements.

Functional Expenses:

Project Place allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. For the years presented, *Salaries and Wages*, *Payroll Taxes* and *Fringe Benefits* are allocated based on employee time and effort. *Occupancy Expenses* and *Depreciation* are allocated based on square footage. Other expenses that are common to several functions are allocated based upon space and time usage ratios. Supporting services are those related to operating and managing Project Place, and its programs on a day-to-day basis.

NOTE 3 *(Continued)*

Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Project Place, Inc.'s internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for Project Place, Inc.'s programs.

Tax Position:

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Project Place and Project Place Gatehouse pertains to their status as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The primary tax position made by The Condominium Trust pertains to its status as under the Massachusetts laws regarding condominium trusts. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation.

Recent Accounting Guidance:

Recently Implemented Standards

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASC Update No. 2016-14, (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*, with the goal of improving not-for-profit financial statements to provide more useful information to donors, grantors, creditors, and other financial statement users. This Accounting Standard Update (ASU) modified the current guidance over several criteria, of which the following affected the Organization's financial statements:

- The Organization's net assets are segregated into two categories, "with donor restrictions" and "without donor restrictions" as opposed to the previous requirement of three classes of net assets.
- The Organization provided qualitative and quantitative information relating to management of liquidity and the availability of financial assets to meet cash needs for general expenditures within one year of the statement of financial position date.
- The Organization provided a more in-depth explanation of the methods used to allocate costs among program and supporting functions.

In accordance with this ASU, the Organization has retrospectively applied this guidance. The ASU provides organizations with the option of presenting one year of liquidity and the availability of financial assets in the year of implementation; therefore, the Organization is not presenting a liquidity and availability disclosure for the year ended June 30, 2018.

NOTE 3 *(Continued)*

Recently Issued Standards

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. In August 2015, the FASB deferred the effective date of ASC Update No. 2014-09 by one year when it issued ASC Update No. 2015-14, (Topic 606) *Revenue from Contracts with Customers*. This standard is effective for this Organization in financial statements issued for fiscal years beginning July 1, 2019.

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard is effective for this Organization in financial statements issued for fiscal years beginning July 1, 2019.

NOTE 4 INVESTMENTS

As of June 30, 2019 and 2018, Project Place's investment portfolio was held within the *Board Designated Funds Strategic Plan* and consists of the following:

	June 30, 2019		
Investment Type	Cost Basis	Unrealized Gains	Fair Value (Level 1)
Schwab Treasury Money Market Fund	$ 200,317	$ -	$ 200,317
Stock Mutual Funds	175,969	17,250	193,219
Bond Mutual Funds	860,750	27,088	887,838
Total Investments	$1,237,036	$44,338	$1,281,374

	June 30, 2018		
Investment Type	Cost Basis	Unrealized Gains	Fair Value (Level 1)
Schwab Treasury Money Market Fund	$ 429,075	$ -	$ 429,075
Stock Mutual Funds	175,969	7,850	183,819
Bond Mutual Funds	408,473	19,287	427,760
Total Investments	$1,013,517	$27,137	$1,040,654

NOTE 4 *(Continued)*

The Organization uses the following ways to determine the fair value of its investments:

Schwab Treasury Money Market Fund and Mutual Funds: Determined at the published Net Asset Value ("NAV") unit at the end of the last trading day of the fiscal year, which is the basis for the transactions at that date. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares held by the Organization at year end. NAV is quoted in an active market.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts Receivable, Program Services:

Accounts receivable from program services as of June 30, 2019 and 2018 are summarized below:

Funding Source	2019	2018
Government Contracts	$191,704	$146,229
Commercial Services	102,750	46,056
Other	13,590	11,200
Total Accounts Receivable	308,044	203,485
Less: Provision for Uncollectible Amounts	(9,500)	(9,500)
Net Realizable Value	$298,544	$193,985

Accounts Receivable, Residents:

Accounts receivable from residents as of June 30, 2019 and 2018 are summarized below:

Funding Source	2019	2018
Residents	$ 22,025	$ 20,801
Less: Provision for Uncollectible Amounts	(14,834)	(14,834)
Net Realizable Value	$ 7,191	$ 5,967

NOTE 6 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2019 and 2018:

Asset Category	2019	2018
Land	$ 250,000	$ 250,000
Building and Renovations	9,489,966	9,115,000
Office and Program Equipment	870,774	1,083,718
Motor Vehicles	81,637	42,553
Subtotal	10,692,377	10,491,271
Accumulated Depreciation	(3,865,192)	(3,595,092)
Total Property and Equipment, Net	$ 6,827,185	$ 6,896,179

NOTE 7 RESTRICTED DEPOSITS AND FUNDED RESERVES

Operating Reserve:

As part of the original mortgage loan agreement, Project Place was required to maintain a $200,000 reserve for operating shortfalls. Although the funds are now unencumbered, management intends to continue to maintain the existing funds in pre-established depository accounts. Management also intends to use the funds for the future cash needs of the building and its equipment.

As of June 30, 2019 and 2018, management restricted operating reserves were $196,193 and $195,751, respectively and are included in *Restricted Deposits and Funded Reserves* on the accompanying Statement of Financial Position.

Replacement Reserve:

Project Place was also required to maintain a reserve for significant repairs and replacements for capital items, as well as for permanent improvements and betterments. The reserve funds are held by Eastern Bank. Annual additions to the replacement reserve fund in the amount of $18,750 for the first payment and escalating 2.5% per annum thereafter were required pursuant to the mortgage payable.

Similar to the operating reserve accounts, the replacement reserves are also now unencumbered and management intends to maintain the funds in a pre-established depository account. Management also intends to use the existing replacement reserve funds for the future cash needs of the building and its equipment.

The trustees of The 1145 Washington Street Condominium Trust are required to maintain a replacement reserve fund with respect to the operation, management, maintenance, replacement and repairs of the general common elements of all unit holders.

As of June 30, 2019 and 2018, management restricted replacement reserves were $72,583 and $75,178, respectively and are included in the line *Restricted Deposits and Funded Reserves* on the accompanying Statement of Financial Position.

NOTE 8 DEFERRED REVENUE

Deferred revenue consists of the following balances as of June 30, 2019 and 2018:

Description	2019	2018
Advance Payments for Commercial Services	$23,979	$47,504
Rental Payments Received in Advance	4,977	16,939
Total Deferred Revenue	$28,956	$64,443

NOTE 9 DEBT

Project Place Gatehouse - 1145 Washington Street, Boston, Massachusetts

Project Place entered into a new market tax credit arrangement with the Massachusetts Housing Investment Corporation ("MHIC") in connection with the construction of its mixed used facility in December 2005. In December 2014, after the unwinding process with the new market tax credit arrangement occurred, the remaining long-term debt was $1.9 million, restructured as three deferred payment non-interest bearing notes described below. There are no current maturities and the aggregate obligation is presented as a long-term debt.

City of Boston Department of Neighborhood Development ("DND"):

A former MHIC New Markets CDE II LLC Series 4 note in the amount of $700,000 was assigned to the City of Boston DND under the same terms as when held by MHIC. The note requires no monthly payments, is non-interest bearing and matures on June 6, 2036, or upon default of the loan covenants. At maturity, the debt may be waived by DND.

Commercial Economic Development Assistance Corporation ("CEDAC"):

A former MHIC New Markets CDE II LLC Series 4 note in the amount of $600,000 was assigned to CEDAC under the same terms as when held by MHIC. The note requires no monthly payments, is non-interest bearing and matures on June 21, 2036, or upon default of the loan covenants. At maturity, the debt may be waived by CEDAC.

Massachusetts Department of Housing and Community Development ("DHCD"):

A former MHIC New Markets CDE II LLC Series 4 note in the amount of $600,000 was assigned to DHCD under the same terms as when held by MHIC. The note requires no monthly payments, is non-interest bearing and matures on July 21, 2036, or upon default of the loan covenants. At maturity, the debt may be waived by DHCD.

Each of the above debts is secured by a mortgage on the property, including the furniture and fixtures. The underlying property is subject to heavy regulation, deed restrictions and the debts are not transferrable on an open market. Management has concluded that the carrying value reflects the fair value of the debt instruments and, therefore, the Organization has not discounted the notes to reflect imputed interest.

Operating Debt

Line-of-Credit:

On July 12, 2013, Project Place established a line-of-credit with Eastern Bank with a borrowing limit of $300,000. The line-of-credit is secured by all business assets and is subject to fluctuating interest rates, which was 5.5% and 5% as of June 30, 2019 and 2018, respectively. All borrowings are payable on demand; however, as of June 30, 2019 and 2018, there was no outstanding balance and the line-of-credit was not used during the years presented. The line-of-credit is subject to annual renewals and, unless renewed, will expire on June 30, 2020.

NOTE 10 DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions:

Net assets with donor restrictions consists of unexpended donor designated grants and contributions. At June 30, 2018, $10,900 was restricted for program services. There were no such restrictions at June 30, 2019.

Net assets released from donor restrictions by incurring expenses which satisfied the restricted purposes or by occurrence of events specified by the donors were as follows:

Nature of Restrictions	2019	2018
Program Restrictions	$389,320	$261,925
Lapse of Time Restrictions	-	100,000
Total	$389,320	$361,925

Board Designated Funds for Strategic Plan:

In fiscal year 2017, Project Place held a 50th Anniversary Gala to raise funds to support the execution of its strategic plan. $1,000,000 had been designated to seed a board designated fund to support three of the plan's objectives, including growing the enterprises to serve a larger and more diverse client base, increasing the level of skills taught, and the geographic expansion of evidence-based best-practice programming for re-entry. As of June 20, 2019 and 2018, the *Board Designated Funds for Strategic Plan* consists of the following balances.

	2019	2018
Cash	$ 318,626	$ 399,346
Investments	1,218,374	1,040,654
Total	$1,600,000	$1,440,000

NOTE 11 COMMERCIAL PRODUCTS AND SERVICE REVENUE

Commercial products revenue is reflected on the Consolidated Statement of Activities net of the direct cost of goods sold. A summary of the commercial products revenue is presented below:

	2019	2018
Gross Product and Service Sales	$578,389	$494,883
Less: Cost of Goods Sold	(41,453)	(26,015)
Net Commercial Products and Services	$536,935	$468,868

NOTE 12 EMPLOYEE BENEFIT PROGRAM

Project Place adopted a Tax-Sheltered Annuity Plan under IRC Section 403(b) in 1996 for all employees who wish to participate. Project Place did not contribute to the plan in the years ended June 30, 2019 and 2018, and incurred no plan administration expenses. An insurance company bears all the risks associated with the plan.

Project Place implemented a 401(k) Salary Deferral Plan in January 2000. Project Place contributes 50% of the employees' contributions up to 5% of employees' gross salary. Contributions by Project Place for the years ended June 30, 2019 and 2018 were $12,528 and $12,598, respectively.

NOTE 13 CONTINGENCIES

Surplus Revenue Retention Regulations:

The Commonwealth of Massachusetts Operational Services Division's regulation, 808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*, allows social service providers to retain a surplus up to twenty percent of total revenues attributable to or generated by Commonwealth agreements for the provision of social services to clients of the Commonwealth and to use such surplus revenue for charitable purposes of the Organization. Amounts that exceed the threshold may be subject to recoupment by the Commonwealth. Management concludes that Project Place, Inc. is in compliance with the OSD requirements.

Deed Restrictions:

Each of the debt obligations disclosed in Note 9 imposes a deed restriction on the use of the residential facilities, located in Boston. The purpose of the deed restrictions is to assure the government that the premises will be retained as 14 units of affordable housing for occupancy by low and very low-income individuals for 30 years following completion of the project. The deed restrictions apply to all owners of the property without regard to early repayment of debt.

NOTE 14 CONCENTRATION OF CREDIT RISK

Cash and Investments:

The Organization is subject to concentrations in credit risk relating primarily to cash and investments. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") under the applicable limits; however, at times cash balances may exceed federally insured limits. As of June 30, 2019 and 2018, the Organization had cash balances of $298,078 and $351,709, respectively, in excess of FDIC insured limits.

The Organization invests in professionally managed money market and mutual funds that contain various types of marketable securities. The Organization's investments are exposed to various risks, such as fluctuations in market value, and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances. The Organization's investment policy is to minimize risk with conservative investments. The investment performance and portfolio is reviewed by the Board of Directors on a periodic basis.

The Organization has not experienced any losses on such accounts and management considers credit risk on cash and investments to be low.

NOTE 14 *(Continued)*

Accounts Receivable, Program Services:

For the year ended June 30, 2019, $88,422, representing 30% of total program service receivables, was due from two agencies with government funded contracts and subcontracts. Management considers these receivables to be fully collectible.

For the year ended June 30, 2018, $119,881, representing 62% of total program service receivables, was due from three agencies with government funded contracts and subcontracts. Management considers these receivables to be fully collectible.

Contributions Receivable:

For the year ended June 30, 2019, $40,000, representing 89% of total contributions receivable, was due from two donors.

For the year ended June 30, 2018, $133,000, representing 76% of total contributions receivable, was due from two donors.

Government Funded Contract Revenue:

Aggregate funding from the Department of Labor was $124,929 and $494,395 for the years ended June 30, 2019 and 2018, respectively, and accounted for approximately 11% and 36% of total government grants and contracts revenue for those years.

Special Event Revenue:

Project Place's annual gala raised $1,107,035 and $820,243 for the years ended June 30, 2019 and 2018, respectively and accounted for approximately 97% and 98% of special event proceeds and 33% and 26% of total support and revenues for the years then ended.

NOTE 15 RELATED PARTY TRANSACTIONS

During fiscal year 2018, a company owned by the son of a board member provided video production services to Project Place at a 50% discount. The amount of video production fees paid was $1,750 for the year ended June 30, 2018. There was no such expense for the year ended June 30, 2019.

NOTE 16 LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of June 30, 2019, which are available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year of the Consolidated Statement of Financial Position date.

Financial Assets:	
Cash	$ 641,536
Accounts Receivable, Program Services	298,544
Accounts Receivable, Residents	7,191
Contributions Receivable	45,000
Board Designated Funds For Strategic Plan	1,600,000
	2,592,271
Less Amounts Not Available To Be Used Within One Year:	
Board Designated Funds for Strategic Plan	1,600,000
Financial Assets Available To Meet General Expenditures Within One Year	$ 992,271

The Organization has ample liquidity to meet its ongoing operations with its financial assets available to meet general expenditures within one year. Two of the objectives of the Organization's latest strategic plan is to serve more people and teach more skills. In support of these goals, the board has authorized $200,000 in capital expenditures to purchase vehicles, equipment and software. Also, additional client services, career services, and enterprise staff may be needed to execute the plan. *Board Designated Funds for Strategic Plan* resources may be used to support these initiatives.

NOTE 17 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the consolidated financial statements. Therefore, Management has evaluated subsequent events through September 25, 2019, the date which the consolidated financial statements were available for issue, and noted no events which met the recognition or disclosure criteria.

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

SCHEDULE I - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2019

	PROJECT PLACE	GATEHOUSE	1145 WASHINGTON ST. TRUST	ELIMINATIONS	CONSOLIDATED TOTAL
ASSETS					
CURRENT ASSETS:					
Cash	$ 363,595	$ 214,523	$ 63,418	$ -	$ 641,536
Accounts Receivable, Program Services	298,544	-	-	-	298,544
Accounts Receivable, Residents	-	7,191	-	-	7,191
Contributions Receivable	45,000	-	-	-	45,000
Inventory	6,246	-	-	-	6,246
Prepaid Expenses	6,199	536	5,572	-	12,307
Total Current Assets	719,584	222,250	68,990	-	1,010,824
PROPERTY AND EQUIPMENT:					
Property and Equipment	568,926	10,373,451	-	(250,000)	10,692,377
Less: Accumulated Depreciation	(418,084)	(3,522,108)	-	75,000	(3,865,192)
Net Property and Equipment	150,842	6,851,343	-	(175,000)	6,827,185
OTHER ASSETS:					
Board Designated Funds for Strategic Plan	1,600,000	-	-	-	1,600,000
Restricted Deposits and Funded Reserves	-	270,205	-	-	270,205
Investment in Gatehouse	120,000	-	-	(120,000)	-
Due from Related Party	69,293	181,441	-	(250,734)	-
Total Other Assets	1,789,293	451,646	-	(370,734)	1,870,205
TOTAL ASSETS	$ 2,659,719	$ 7,525,239	$ 68,990	$ (545,734)	$ 9,708,214
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts Payable	$ 42,765	$ 240	$ 3,119	$ -	$ 46,124
Accrued Expenses	171,507	10,180	69	-	181,756
Deferred Revenue	23,979	4,977	-	-	28,956
Due to Related Party	158,860	-	91,874	(250,734)	-
Total Current Liabilities	397,111	15,397	95,062	(250,734)	256,836
LONG-TERM LIABILITIES:					
Long-Term Deferred Payment Debt	-	1,900,000	-	-	1,900,000
Total Long-Term Liabilities	-	1,900,000	-	-	1,900,000
TOTAL LIABILITIES	397,111	1,915,397	95,062	(250,734)	2,156,836
NET ASSETS:					
Net Assets Without Donor Restrictions:					
Operating	511,766	658,499	(26,072)	(120,000)	1,024,193
Board Designated	1,600,000	-	-	-	1,600,000
Investment in Property and Equipment	150,842	4,951,343	-	(175,000)	4,927,185
Total Net Assets Without Donor Restrictic	2,262,608	5,609,842	(26,072)	(295,000)	7,551,378
Net Assets With Donor Restrictions	-	-	-	-	-
Total Net Assets	2,262,608	5,609,842	(26,072)	(295,000)	7,551,378
TOTAL LIABILITIES AND NET ASSETS	$ 2,659,719	$ 7,525,239	$ 68,990	$ (545,734)	$ 9,708,214

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

SCHEDULE II - CONSOLIDATING SCHEDULE OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

	PROJECT PLACE		GATEHOUSE		1145 WASHINGTON STREET TRUST		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	ELIMINATIONS	CONSOLIDATED TOTAL
SUPPORT, REVENUES AND RECLASSIFICATIONS:							
Program Revenues:							
Government Grants and Contracts	$ 1,119,937	$ -	$ -	$ -	$ -	$ -	$ 1,119,937
Commercial Products and Services	568,135	-	-	-	-	(31,200)	536,935
Rental Income	-	-	190,038	-	-	-	190,038
Gifts, Grants and Contributions:							
Gifts, Grants and Contributions	517,148	358,420	-	20,000	-	(178,200)	717,368
Special Event Proceeds	1,136,860	-	-	-	-	-	1,136,860
Less: Direct Cost of Benefits to Donors	(346,023)	-	-	-	-	-	(346,023)
Other Revenues:							
Dues Income	-	-	-	-	106,464	(106,464)	-
Miscellaneous Revenues	3,663	-	2,350	-	-	-	6,013
Investment Return	39,427	-	594	-	15	-	40,036
Reclassification of Net Assets:							
Satisfaction of Donor Restrictions	369,320	(369,320)	20,000	(20,000)	-	-	-
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	**3,408,467**	**(10,900)**	**212,982**	**-**	**106,479**	**(315,864)**	**3,401,164**
EXPENSES:							
Program Services:							
Program Services	2,693,074	-	243,307	-	99,010	(274,208)	2,761,183
Supporting Services:							
Administrative	376,199	-	3,508	-	9,306	(27,183)	361,830
Fund Raising	262,577	-	-	-	7,578	(20,723)	249,432
TOTAL EXPENSES	**3,331,850**	**-**	**246,815**	**-**	**115,894**	**(322,114)**	**3,372,445**
CHANGE IN NET ASSETS	**76,617**	**(10,900)**	**(33,833)**	**-**	**(9,415)**	**6,250**	**28,719**
NET ASSETS - BEGINNING OF YEAR	**2,185,991**	**10,900**	**5,643,675**	**-**	**(16,657)**	**(301,250)**	**7,522,659**
NET ASSETS - END OF YEAR	**$ 2,262,608**	**$ -**	**$ 5,609,842**	**$ -**	**$ (26,072)**	**$ (295,000)**	**$ 7,551,378**

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

SCHEDULE III - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2018

	PROJECT PLACE	GATEHOUSE	1145 WASHINGTON ST. TRUST	ELIMINATIONS	CONSOLIDATED TOTAL
ASSETS					
CURRENT ASSETS:					
Cash	$ 440,765	$ 144,405	$ 75,957	$ -	$ 661,127
Accounts Receivable, Program Services	193,985	-	-	-	193,985
Accounts Receivable, Residents	-	5,967	-	-	5,967
Contributions Receivable	174,500	-	-	-	174,500
Inventory	7,969	-	-	-	7,969
Prepaid Expenses	21,898	3,603	5,193	-	30,694
Total Current Assets	839,117	153,975	81,150	-	1,074,242
PROPERTY AND EQUIPMENT:					
Property and Equipment	492,787	10,248,484	-	(250,000)	10,491,271
Less: Accumulated Depreciation	(391,340)	(3,272,502)	-	68,750	(3,595,092)
Net Property and Equipment	101,447	6,975,982	-	(181,250)	6,896,179
OTHER ASSETS:					
Board Designated Funds for Strategic Plan	1,440,000	-	-	-	1,440,000
Restricted Deposits and Funded Reserves	-	270,929	-	-	270,929
Investment in Gatehouse	120,000	-	-	(120,000)	-
Due from Related Party	39,725	160,554	-	(200,279)	-
Total Other Assets	1,599,725	431,483	-	(320,279)	1,710,929
TOTAL ASSETS	$ 2,540,289	$ 7,561,440	$ 81,150	$ (501,529)	$ 9,681,350
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts Payable	$ 34,268	$ 2,045	1,739	$ -	$ 38,052
Accrued Expenses	146,185	10,011	-	-	156,196
Deferred Revenue	47,504	5,709	11,230	-	64,443
Due to Related Party	115,441	-	84,838	(200,279)	-
Total Current Liabilities	343,398	17,765	97,807	(200,279)	258,691
LONG-TERM LIABILITIES:					
Long-Term Deferred Payment Debt	-	1,900,000	-	-	1,900,000
Total Long-Term Liabilities	-	1,900,000	-	-	1,900,000
TOTAL LIABILITIES	343,398	1,917,765	97,807	(200,279)	2,158,691
NET ASSETS:					
Net Assets Without Donor Restrictions					
Operating	644,544	567,693	(16,657)	(120,000)	1,075,580
Board Designated	1,440,000	-	-	-	1,440,000
Investment in Property and Equipment	101,447	5,075,982	-	(181,250)	4,996,179
Total Net Assets Without Donor Restrictions	2,185,991	5,643,675	(16,657)	(301,250)	7,511,759
Net Assets With Donor Restrictions	10,900	-	-	-	10,900
Total Net Assets	2,196,891	5,643,675	(16,657)	(301,250)	7,522,659
TOTAL LIABILITIES AND NET ASSETS	$ 2,540,289	$ 7,561,440	$ 81,150	$ (501,529)	$ 9,681,350

INTERSEMINARIAN - PROJECT PLACE, INC. AND SUBSIDIARIES

SCHEDULE IV - CONSOLIDATING SCHEDULE OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

	PROJECT PLACE		GATEHOUSE	1145 WASHINGTON STREET TRUST		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	ELIMINATIONS	CONSOLIDATED TOTAL
SUPPORT, REVENUES AND RECLASSIFICATIONS:						
Program Revenues:						
Government Grants and Contracts	$ 1,250,126	$ -	$ -	$ -	$ -	$ 1,250,126
Commercial Products and Services	500,068	-	-	-	(31,200)	468,868
Rental Income	-	-	189,665	-	-	189,665
Gifts, Grants and Contributions:						
Gifts, Grants and Contributions	509,207	268,900	16,500	-	(178,200)	616,407
Special Event Proceeds	835,118	-	-	-	-	835,118
Less: Direct Cost of Benefits to Donors	(209,008)	-	-	-	-	(209,008)
Other Revenues:						
Dues Income	-	-	-	103,596	(103,596)	-
Miscellaneous Revenues	2,774	-	-	-	-	2,774
Investment Return	11,994	-	236	2	-	12,232
Reclassification of Net Assets:						
Satisfaction of Donor Restrictions	361,925	(361,925)	-	-	-	-
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	**3,262,204**	**(93,025)**	**206,401**	**103,598**	**(312,996)**	**3,166,182**
EXPENSES:						
Program Services:						
Program Services	2,408,408	-	244,230	83,671	(284,456)	2,451,853
Supporting Services:						
Administrative	318,293	-	4,124	6,326	(20,267)	308,476
Fund Raising	257,663	-	-	4,280	(14,523)	247,420
TOTAL EXPENSES	**2,984,364**	**-**	**248,354**	**94,277**	**(319,246)**	**3,007,749**
TOTAL CHANGE IN NET ASSETS	**277,840**	**(93,025)**	**(41,953)**	**9,321**	**6,250**	**158,433**
NET ASSETS - BEGINNING OF YEAR	**1,908,151**	**103,925**	**5,685,628**	**(25,978)**	**(307,500)**	**7,364,226**
NET ASSETS - END OF YEAR	**$ 2,185,991**	**$ 10,900**	**$ 5,643,675**	**$ (16,657)**	**$ (301,250)**	**$ 7,522,659**