

MARY'S PLACE BY THE SEA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2023

ROGER K. STEIN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
2300 STATE ROUTE 66, SUITE 202
NEPTUNE, NEW JERSEY 07753

Phone: 732-869-1170
Fax: 732-869-1130
www.rogersteincpa.com

MEMBER:
NEW JERSEY SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

LICENSED:
NEW JERSEY & NEW YORK

INDEPENDENT AUDITOR'S REPORT

TO: THE BOARD OF TRUSTEES
MARY'S PLACE BY THE SEA, INC.
OCEAN GROVE, NEW JERSEY

Opinion

I have audited the accompanying financial statements of Mary's Place by the Sea, Inc. (a nonprofit organization) which comprise the statement of financial position as of March 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mary's Place by the Sea, Inc. as of March 31, 2023 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Mary's Place by the Sea, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mary's Place by the Sea, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepting auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepting auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mary's Place by the Sea, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mary's Place by the Sea, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



ROGER K. STEIN, CPA LLC

Neptune, New Jersey

November 16, 2023

MARY'S PLACE BY THE SEA, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

ASSETS

Current Assets:

Cash	\$ 1,055,772
Prepaid expenses	28,846
<u>Total Current Assets</u>	<u>1,084,618</u>

Property, Building, Equipment and Intangible Assets:

Land	700,000
Building and improvements	2,352,599
Equipment	70,433
Furniture and fixtures	91,206
Intangible assets	5,127
	<u>3,219,365</u>
Less: accumulated depreciation	(521,047)
<u>Net Property, Building, Equipment and Intangible Assets</u>	<u>2,698,318</u>

Other Assets:

Investments	<u>789,297</u>
<u>Total Assets</u>	<u>\$ 4,572,233</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 21,823
Accrued expenses	18,478
Deferred income	25,767
Mortgage payable - current portion	38,719
<u>Total Current Liabilities</u>	<u>104,787</u>

Other Liabilities:

Mortgage payable - net of current portion	<u>659,908</u>
<u>Total Liabilities</u>	<u>764,695</u>

NET ASSETS

Without donor restrictions	3,781,100
With donor restrictions	26,438
<u>Total Net Assets</u>	<u>3,807,538</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,572,233</u>

The accompanying notes are an integral
part of these Financial Statements.

MARY'S PLACE BY THE SEA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions of cash and other financial assets	\$ 340,867	\$ 146,170	\$ 487,037
Contributions of nonfinancial assets	116,123		116,123
Fund-raisers - Gross revenues of	\$ 716,166		
Less expenses of	<u>(73,258)</u>		
	642,908		642,908
Investment income, net	10,281		10,281
Net realized and unrealized losses on investments	<u>(21,659)</u>	<u>-</u>	<u>(21,659)</u>
	<u>1,088,520</u>	<u>146,170</u>	<u>1,234,690</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>121,309</u>	<u>(121,309)</u>	<u>-</u>
Total revenues, gains, and other support	<u>1,209,829</u>	<u>24,861</u>	<u>1,234,690</u>
Expenses:			
Program services	645,298		645,298
Supporting services			
Management and general	171,840		171,840
Fundraising	<u>143,993</u>	<u>-</u>	<u>143,993</u>
Total expenses	<u>961,131</u>	<u>-</u>	<u>961,131</u>
<u>Change in net assets</u>	<u>248,698</u>	<u>24,861</u>	<u>273,559</u>
Net assets at beginning of year	<u>3,532,402</u>	<u>1,577</u>	<u>3,533,979</u>
Net assets at end of year	<u><u>\$ 3,781,100</u></u>	<u><u>\$ 26,438</u></u>	<u><u>\$ 3,807,538</u></u>

The accompanying notes are an integral
part of these Financial Statements.

MARY'S PLACE BY THE SEA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Supporting Services</u>			
	Program Services	Management and General	Fund- raising	Total
Payroll	\$ 244,686	\$ 71,865	\$ 93,420	\$ 409,971
Payroll taxes	21,274	6,248	8,122	35,644
Advertising and promotion	9,431	7,730	14,886	32,047
Insurance	32,290	7,556	4,712	44,558
Licenses and fees	339	1,296		1,635
Food	22,941		335	23,276
House supplies	7,518			7,518
Client services	147,766			147,766
Office	14,570	15,027	11,199	40,796
Professional fees		46,239		46,239
Miscellaneous	298	3,537	660	4,495
Repairs and maintenance	30,170	2,407	2,310	34,887
Utilities	21,723	1,733	1,663	25,119
Travel	573	1,250		1,823
Interest	26,852	2,143	2,055	31,050
Depreciation	64,867	4,809	4,631	74,307
Total	<u>\$ 645,298</u>	<u>\$ 171,840</u>	<u>\$ 143,993</u>	<u>\$ 961,131</u>

The accompanying notes are an integral
part of these Financial Statements.

MARY'S PLACE BY THE SEA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 273,559
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	74,914
Net realized and unrealized gains on investments	21,659
Noncash contribution of assets	(17,139)
(Increase) decrease in:	
Prepaid expenses	6,404
Increase (decrease) in:	
Accounts payable	5,625
Accrued expenses	4,044
Deferred income	14,942
	<hr/>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>384,008</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Sale of investments	27,482
Purchase of investments	<hr/> (550,025)
<u>NET CASH USED BY INVESTING ACTIVITIES</u>	<hr/> (522,543)

CASH FLOWS FROM FINANCING ACTIVITIES:

Reduction of mortgage payable	<hr/> (168,121)
<u>NET CASH USED BY FINANCING ACTIVITIES</u>	<hr/> (168,121)

NET DECREASE IN CASH	(306,656)
CASH AT APRIL 1, 2022	<hr/> 1,362,428
CASH AT MARCH 31, 2023	<u><u>\$ 1,055,772</u></u>

The accompanying notes are an integral
part of these Financial Statements.

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Note 1 - Summary of Significant Accounting Policies -

Nature of Activities - The Organization is a nonprofit corporation which provides support for women with cancer in a respite home located in Ocean Grove, New Jersey through integrative services which complement their medical treatment and empower, educate and support their healing. Services provided include oncology massage, individual counseling sessions, nutritional counseling, guided meditation, reflexology, journaling, yoga and overall support. The Organization relies on grants and donations to fund its operations as it does not charge its guests for services.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Resources available to support operations and are not subject to donor restrictions.

With donor restrictions - Resources that are subject to donor-imposed restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions - Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. If there is no unconditional promise, the contribution is recognized when received. Contributions received are recorded as support without donor restrictions or support with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services - During the year ended March 31, 2023, the value of contributed services meeting the requirements for recognition in the financial statements totaled \$107,061 which was for professional services and specialized skills. No amounts have been reflected in the financial statements for other contributed services; however, a substantial number of volunteers have donated significant amounts of their time in relation to the Organization's program services and other activities.

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Note 1 - (continued)

Gifts in Kind - The Organization received in kind donations for the year ended March 31, 2023 totaling \$116,123. The value of these contributions is reflected in the financial statements at fair value at the date of receipt. The amounts recorded in the financial statements for in kind donations are as follows:

Client services	\$	90,383
Professional services		16,678
Advertising/marketing		6,220
Household supplies/other		2,842
Total	\$	<u>116,123</u>

Contributions Receivable - Any unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. As of March 31, 2023, the Organization had no contributions receivable.

Revenue Recognition - The Organization has adopted the guidance under FASB ASC 606, Revenue from Contracts with Members, which requires the recognition of revenue when promised services are transferred to members in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those services.

Grants - Grants are recognized when received and are reviewed by the Organization for the amount earned and, if necessary, adjusted at year end.

Property and Equipment - Property and equipment are carried at cost. Depreciation and amortization are computed using the straight line and accelerated methods based on the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense, as incurred. Depreciation and amortization expense for the year was \$74,914.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Advertising - All advertising costs are expensed in the period they are incurred. For the year ended March 31, 2023, advertising expense was \$32,047, which included donated advertising services of \$6,220.

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Note 1 - (continued)

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization evaluates its uncertain tax positions and accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of March 31, 2023, the Organization recognized no liability on uncertain tax positions.

Investments - The Organization's 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. 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. For the year ended March 31, 2023, the Organization incurred investment expenses of \$2,506 which is reflected in the investment income on the statement of activities.

Fair Value - The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at March 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Marketable equity securities are valued at quoted prices in active markets for identical assets (Level I). Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

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 reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Note 2 - Investments - Cost and fair value of marketable securities at March 31, 2023 are as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Available for sale				
Certificates of Deposit	\$ 500,000	\$ -	\$(1,561)	\$ 498,439
Equity Securities (Level I)				
Industrials	28,849	9,004	-	37,853
Utilities	8,350	682	-	9,032
Healthcare	6,090	1,975	-	8,065
Technology	40,046	14,673	(3,872)	50,847
Financial	19,675	4,686	(291)	24,070
Consumer Goods	67,633	15,201	(4,427)	78,407
Mutual Funds	89,755	3,647	(10,818)	82,584
	<u>260,398</u>	<u>49,868</u>	<u>(19,408)</u>	<u>290,858</u>
Total Investments	<u>\$ 760,398</u>	<u>\$ 49,868</u>	<u>\$(20,969)</u>	<u>\$ 789,297</u>

Note 3 - Mortgage Payable - The Organization has a mortgage with OceanFirst Bank of which \$703,579 was outstanding as of March 31, 2023. The mortgage, secured by the Ocean Grove property, is payable in monthly installments of \$9,760, including interest at 3.9% in the current year. The mortgage will adjust to a rate equal to 3.5% in excess of the U.S. Treasury Securities. The next rate adjustment is June 2026. The mortgage is due December 2036.

The Organization adopted the requirements in FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance costs is reported as interest expense in the statement of functional expenses.

Long-term debt at March 31, 2023 consists of the following:

Mortgage Payable	\$ 703,579
Less: Unamortized debt issuance costs	<u>(4,952)</u>
Long-term debt, less unamortized Debt issuance costs	698,627
Less: current portion	<u>(38,719)</u>
Total long-term debt, less current Portion	<u>\$ 659,908</u>

Maturity of long-term debt is as follows:

<u>Year ending March 31,</u>	<u>Amount</u>
2024	\$ 38,719
2025	40,280
2026	41,904
2027	43,592
2028	45,347
Thereafter	488,785
	<u>\$ 698,627</u>

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

- Note 4 - Net Assets With Donor Restrictions - Activities related to net assets with donor restrictions in the current year are summarized as follows:

	Net Assets With Donor Restrictions- Beginning Of Year	Restricted Donations Received During Year	Restrict- ions Satisfied by Payments	Net Assets With Donor Restrictions- End of Year
Debt reduction	\$ -	\$ 100,000	\$ 100,000	\$ -
Program services	<u>1,577</u>	<u>46,170</u>	<u>21,309</u>	<u>26,438</u>
Total	<u>\$ 1,577</u>	<u>\$ 146,170</u>	<u>\$ 121,309</u>	<u>\$ 26,438</u>

- Note 5 - Liquidity - The following reflects the Organization's financial assets as of March 31, 2023, reduced by amounts not available for general use because of contractual, donor-imposed or board-imposed restrictions within one year of the statement of financial position date:

Financial assets at March 31, 2023:

Cash	\$ 1,055,772
Investments	<u>789,297</u>
	<u>\$ 1,845,069</u>

Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:	
Program services	<u>(26,438)</u>

Financial assets available to meet cash needs
for general expenditure within one year \$ 1,818,631

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as general expenditures and liabilities become due.

- Note 6 - Functional Allocation of Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to the programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

- Note 7 - Operating Lease - The Organization leases office equipment under an operating lease for a term of five years. The lease expense was \$2,233 for the year ended March 31, 2023. Under FASB ASC 842, a lease is recognized as a right-of-use asset with a related lease liability for the remainder of the lease term. The Organization did not adopt ASC 842 as the lease was not material and was not capitalized.

MARY'S PLACE BY THE SEA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Note 7 - (continued)

The following is a schedule, by years, of future minimum lease payments as of March 31, 2023:

<u>Year ending March 31,</u>	<u>Amount</u>
2024	\$ 2,093
2025	1,570
	<u>\$ 3,663</u>

- Note 8 - Cash Flows - For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. For the year ended March 31, 2023, the Organization paid \$30,443 for interest expense.
- Note 9 - Transactions with Related Parties - The Organization incurred expenses of \$2,440 to a vendor for website design, of which \$1,220 was donated services. The vendor is owned by a cousin of the Executive Director of the Organization. The Organization incurred expenses of \$1,522 to a contractor for repair services. The contractor is the brother-in-law of the Executive Director of the Organization.
- Note 10 - Concentrations of Credit Risk - The Organization maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2023, the Organization's uninsured cash totaled \$110,511.
- Note 11 - Subsequent Events - The Organization has evaluated subsequent events through November 16, 2023, which is the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.