



January 16, 2012

Mr. Arthur Triglione
Mission of Deeds, Inc.
c/o Suppliers Automotive Parts, Co.
792 Main Street - Rear
Tewksbury, MA 01876

Dear Mr. Triglione:

Please find enclosed five copies of the financial statements of Mission of Deeds, Inc. for the year ended December 31, 2010.

Very truly yours,

Jeffrey J. Caruso

JJC/tm
Enclosures

MISSION OF DEEDS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2010

MISSION OF DEEDS, INC.

Financial Statements

December 31, 2010 and 2009

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Mission of Deeds, Inc.

We have reviewed the accompanying statements of financial position of Mission of Deeds Inc. (the "Organization") as of December 31, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

O'Connor & Drew, P.C.
Certified Public Accountants

October 24, 2011

MISSION OF DEEDS, INC.

Statements of Financial Position

December 31,

	<u>Assets</u>	
	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and equivalents	\$ 547,361	\$ 498,595
Investments	35,502	31,336
Other asset	<u>-</u>	<u>3,947</u>
Total Current Assets	<u>582,863</u>	<u>533,878</u>
Property and Equipment, net	<u>211,629</u>	<u>-</u>
Total Assets	<u>\$ 794,492</u>	<u>\$ 533,878</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Accounts payable	\$ 15,608	\$ -
Accrued expenses	<u>2,939</u>	<u>-</u>
Total Current Liabilities	<u>18,547</u>	<u>-</u>
Net Assets:		
Unrestricted	366,303	198,918
Temporarily restricted	384,642	309,960
Permanently restricted	<u>25,000</u>	<u>25,000</u>
Total Net Assets	<u>775,945</u>	<u>533,878</u>
Total Liabilities and Net Assets	<u>\$ 794,492</u>	<u>\$ 533,878</u>

See Independent Accountants' Review Report and accompanying notes to the financial statements.

MISSION OF DEEDS, INC.

Statement of Activities

For the Year Ended December 31, 2010
(with comparative totals for 2009)

	2010			Total Net Assets	2009 Total Net Assets
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets		
Revenues:					
Contributions	\$ 99,836	\$ -	\$ -	\$ 99,836	\$ 119,382
Grant revenue	118,108	-	-	118,108	116,786
Fundraising	177,373	263,965	-	441,338	188,047
Donated goods	238,710	-	-	238,710	56,091
Interest and dividends	9,752	1,913	-	11,665	10,381
Net unrealized gains	-	2,253	-	2,253	4,469
Reclassification of net assets	(6,336)	6,336	-	-	-
Net assets released from restriction:					
Purpose restrictions met	<u>199,785</u>	<u>(199,785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Revenues	 <u>837,228</u>	 <u>74,682</u>	 <u>-</u>	 <u>911,910</u>	 <u>495,156</u>
 Expenses:					
Program services	553,927	-	-	553,927	335,709
Management services	63,402	-	-	63,402	63,245
Fundraising	<u>52,514</u>	<u>-</u>	<u>-</u>	<u>52,514</u>	<u>45,259</u>
 Total Expenses	 <u>669,843</u>	 <u>-</u>	 <u>-</u>	 <u>669,843</u>	 <u>444,213</u>
 Change in Net Assets	 167,385	 74,682	 -	 242,067	 50,943
Net Assets, Beginning of Year	<u>198,918</u>	<u>309,960</u>	<u>25,000</u>	<u>533,878</u>	<u>482,935</u>
 Net Assets, End of Year	 <u>\$ 366,303</u>	 <u>\$ 384,642</u>	 <u>\$ 25,000</u>	 <u>\$ 775,945</u>	 <u>\$ 533,878</u>

See Independent Accountants' Review Report and accompanying notes to the financial statements.

MISSION OF DEEDS, INC.

Statements of Cash Flows

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 242,067	\$ 50,943
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	310	-
Unrealized gain on investments	(2,253)	(4,469)
Changes in assets and liabilities:		
Other assets	3,947	11,998
Accounts payable	9,644	-
Accrued expenses	<u>2,939</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>256,654</u>	<u>58,472</u>
Cash Flows from Investing Activities:		
Purchase of property & equipment	(205,975)	-
Purchase of investments	<u>(1,913)</u>	<u>(1,693)</u>
Net Cash Provided by Investing Activities	<u>(207,888)</u>	<u>(1,693)</u>
Net Increase in Cash and Equivalents	48,766	56,779
Cash and Equivalents, Beginning of Year	<u>498,595</u>	<u>441,816</u>
Cash and Equivalents, End of Year	<u>\$ 547,361</u>	<u>\$ 498,595</u>

Supplemental Disclosure of Non-Cash Activities:

As of December 31, 2010, accounts payable included amounts due for construction in progress completed but not yet paid in the amount of \$5,694.

See Independent Accountants' Review Report and accompanying notes to the financial statements.

MISSION OF DEEDS, INC.

Notes to the Financial Statements

December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies

Business Activity

Mission of Deeds, Inc.'s (the "Organization") purpose is to purchase and collect household goods and distribute them to underprivileged individuals in the Greater Boston area.

Basis of Accounting

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principals. In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and are expendable for support of the Organization's general operations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently.

Donor restricted contributions that are received and expended in the same year are reported as unrestricted.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies - Continued

Revenue Recognition

Contributions are recognized when a donor makes a promise to give to the Organization 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 restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Management Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets, liabilities, revenues and expenses. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

Cash and Equivalents

For purposes of the statement of financial position and cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents.

Financial Instruments

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and equivalents and investments. The Organization maintains its cash and equivalents in bank deposit accounts, the balances of which, at times, may exceed Federally insured limits. Investments are maintained at brokerage institutions. Exposure to credit risk is reduced by placing such deposits in high quality financial institutions and insured brokerage houses.

The carrying amounts of certain financial instruments, including cash and equivalents, approximate fair value as of December 31, 2010 because of the relatively short maturity of these instruments. The carrying amounts of investments are reported at market value. Unrealized gains and losses are included in the changes in net assets within the accompanying statement of activities.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 1 - **Summary of Significant Accounting Policies - Continued**

Prior Year Summarized Information

The financial statements include certain comparative financial information. The statement of activities presents information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principals generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's reviewed financial statements for the year ended December 31, 2009.

Functional Allocation of Revenues and Expenses

Grant and contract revenues are recorded over the period covered by the grant or contract as services provided. Revenues and expenses, which are not directly attributable to a specific program, are recorded as administrative. Such revenues and expenses have been allocated to specific programs based on each program's percentage of total expenses of the Organization.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using accelerated methods over the assets' estimated useful lives.

Donated Goods

The Organization receives donations of new and used furniture, bedding, and household items from the general public. The Organization, in turn, gives these donated goods to underprivileged families through a network of social service agencies. During the years ended December 31, 2010 and 2009, the Organization received and recognized donated goods of \$238,710 and \$56,091, respectively. The Organization recognizes donated goods at their fair market value.

The organization maintains a warehouse of goods received but not yet distributed to individuals. In accordance with generally accepted accounting principles, the organization has not recognized inventory in these financial statements related to these items as these items are not held for resale.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies - Continued

Donated Services

Donated services, are recorded as contributions at their estimated fair market values in the period received. Certain donated services have not been recognized in the statement of activities as the value of these services is not practicable to determine.

Income Tax Status

The Organization is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private Organization as defined in Section 509(a) of the Internal Revenue Code. The Organization monitors its activities and it considers the potential for income taxes if any activities are not related to its exempt purpose.

Generally accepted accounting principles practiced in the United States of America require an entity to assess the probability that a tax position has a “more likely than not” (“MLTN”) sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized.

Interest

and penalties, if any, related to assessments by tax authorities will be classified as a component of management services in the statement of activities. A tax position may be considered as taken any time a taxpayer chooses amongst alternatives that affect the amount of their tax obligations and include for example: tax exempt status; status as a pass-through entity; decisions made in the process of conforming with tax laws; decisions not to file in certain jurisdictions; allocation of income between jurisdictions and the characterization of income or expenses. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances the statute of limitations may remain open indefinitely.

The Organization has been notified by the Internal Revenue Service that it meets the qualifications to be classified as a tax exempt entity under section 501 (c)(3) of the Internal Revenue Code. Since the continuance of this status is based upon continuing qualification, the Organization has identified this as a tax position. However, it has determined that this tax position meets MLTN sustainability and does not result in an uncertainty requiring recognition.

The Organization does not expect any material changes in its position regarding this matter in the next twelve months.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies - Continued

Endowment Funds

Effective July 1, 2009, Massachusetts enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), originally proposed by the Uniform Law Commission in 2006, and which has been enacted or is under consideration in 47 states. Prior to enacting UPMIFA, Massachusetts operated under the Uniform Management of Institutional Funds Act (UMIFA) which focused on prudent spending of net appreciation of the fund and emphasized the historic dollar value concept, an amount below which an organization could not spend from the fund. In the absence of overriding, explicit donor stipulations, UPMIFA prescribes new guidelines for expenditures of donor restricted funds and focuses on the prudent spending of the entire donor restricted fund, including accumulated earnings, in lieu of the historical dollar concept of UMIFA. UPMIFA's requirement that amounts may be appropriated for expenditure only after careful consideration of the seven factors outlined in its spending guidelines is bolstered by its intent to have the governing board of the organization make its decisions in light of the donor's intended purpose of the endowment fund, stipulated or otherwise.

Under UPMIFA, donor restricted funds will continue to be classified as permanently restricted net assets, however, donor restricted funds not classified as permanently restricted net assets, such as gains and other amounts permitted to be disbursed in accordance with the donors' stipulations or deemed spent earnings on endowment funds that had not been specifically approved for expenditure, must be classified as temporarily restricted net assets until appropriately approved for expenditure by the organization.

The Organization's board classifies donor restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General. Accordingly, if the donor agreement does not prohibit the expenditures of appreciation such gains would be classified as unrestricted net assets. Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor.

The investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 1 - **Summary of Significant Accounting Policies - Continued**

Reclassification

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

Note 2 - **Investments**

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Investments represent mutual funds that are stated at fair value determined by quoted market prices with a cost of \$25,000 and market value of \$35,502 and \$31,336 at December 31, 2010 and 2009, respectively. These assets are classified as Level 1 assets within the fair value hierarchy.

Note 3 - **Property and Equipment**

A summary of property and equipment at December 31, is as follows:

	<u>2010</u>	<u>2009</u>
Vehicles	\$ 27,788	\$ 27,788
Office furniture and equipment	18,310	12,120
Construction in progress	<u>205,749</u>	-
	251,847	39,908
Less: accumulated depreciation	<u>40,218</u>	<u>39,908</u>
	\$ <u>211,629</u>	\$ _____

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 4 - **Endowment Net Assets**

During 2006, the Organization received a \$25,000 donation to establish a permanent endowment fund. Terms of the donation require the funds to be segregated from other Organization funds. Income earned on the endowment may be used to pay operational expenses of the Organization.

Changes in endowment net assets for the years ended December 31, 2010 and 2009 are as follows:

	<u>2010</u>			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 6,336	\$ 25,000	\$ 31,336
Investment income	-	1,913	-	1,913
Unrealized gains	<u>-</u>	<u>2,253</u>	<u>-</u>	<u>2,253</u>
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>10,502</u>	\$ <u>25,000</u>	\$ <u>35,502</u>
	<u>2009</u>			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 174	\$ 25,000	\$ 25,174
Investment income	-	1,693	-	1,693
Unrealized gains	<u>-</u>	<u>4,469</u>	<u>-</u>	<u>4,469</u>
Endowment net assets end of year	\$ <u>-</u>	\$ <u>6,336</u>	\$ <u>25,000</u>	\$ <u>31,336</u>

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 4 - **Endowment Net Assets - Continued**

All endowment funds consist of donor-restricted funds. The Organization has no board-designated endowment funds.

Note 5 - **Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of contributions of cash made for the purpose of enabling the Organization to make improvements to their operating facility. Income derived from permanently restricted net assets that has not been spent for operating purposes is classified as temporarily restricted.

Note 6 - **Related Party Transaction**

During 2009, the Organization signed a three year operating lease expiring June 2012 for its facilities with a related party at a below market rate requiring monthly payments of \$5,000 plus a pro rata share of operating costs. The lease contains three five year extensions through June 30, 2027. The following is a summary of future minimum rental payments subsequent to December 31, 2010 under a non-cancelable operating lease:

<u>Years Ending December 31,</u>	<u>Amount</u>
2010	\$ 60,000
2011	60,000
2012	<u>30,000</u>
	\$ <u>150,000</u>

Rent expense for the year December 31, 2010 and 2009 was \$60,000 and \$39,000 respectively. The value of the lease below its fair market value has not been recorded as a contribution as it is not practicable to determine its value.

See Independent Accountants' Review Report.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2010 and 2009

Note 7 - **Concentrations, Risks and Uncertainties**

Cash

From time to time, the Organization's cash balances at financial banking institutions exceed the Federally insured limit. The trustees monitor the financial condition of these banking institutions to keep this potential risk to a minimum.

Uncertainties

The Organization is highly dependent on donor contributions and fundraising efforts. Although management believes that it will have sufficient funds to meet its operating expenses for the remainder of the fiscal year between funds already available and promised grants, there is no guarantee that their grants and fundraising activities will continue into future years.

Subsequent Events

Management has evaluated subsequent events through October 24, 2011, the date for which the financial statements were available for issuance.

See Independent Accountants' Review Report.

SUPPLEMENTAL INFORMATION

MISSION OF DEEDS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2010
(with comparative totals for 2009)

	2010				2009 <u>Total</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	
Expenses:					
Furniture	\$ 238,710	\$ -	\$ -	\$ 238,710	\$ 68,089
Bedding costs	125,005	-	-	125,005	99,714
Payroll salaries and wages	74,192	24,730	23,400	122,322	123,464
Rent	45,000	15,000	-	60,000	39,000
Fundraising costs	-	-	29,114	29,114	21,859
Payroll taxes	12,415	4,138	-	16,553	14,522
Insurance	12,249	4,083	-	16,332	18,083
Miscellaneous	11,561	3,854	-	15,415	26,443
Office supplies	8,708	2,903	-	11,611	1,675
Property taxes	6,056	2,019	-	8,075	7,454
Vehicle costs	4,139	1,380	-	5,519	4,478
Lighting	3,550	1,183	-	4,733	3,900
Heating	3,328	1,109	-	4,437	5,268
Warehouse	3,077	1,026	-	4,103	1,950
Telephone	2,496	832	-	3,328	4,155
Professional fees	1,275	425	-	1,700	2,603
Payroll service	1,195	398	-	1,593	-
Postage delivery	674	224	-	898	1,026
Depreciation	233	77	-	310	-
Dues and subscriptions	64	21	-	85	530
	<u>\$ 553,927</u>	<u>\$ 63,402</u>	<u>\$ 52,514</u>	<u>\$ 669,843</u>	<u>\$ 444,213</u>

See Independent Accountants' Review Report and accompanying notes to the financial statements.