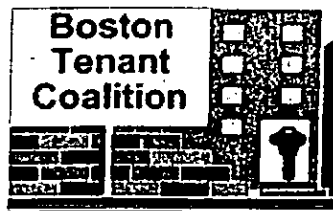


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**REPORT ON REVIEW OF FINANCIAL STATEMENTS**

**JUNE 30, 2012**

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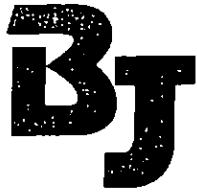
BOSTON TENANT COALITION, INC.

REPORT ON REVIEW OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

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**Bernard, Johnson & Company, P.C.**  
Certified Public Accountants and Business Advisors

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Boston Tenant Coalition, Inc.

We have reviewed the accompanying statement of financial position of Boston Tenant Coalition, Inc. (a Massachusetts nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 review, 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.

*Bernard Johnson & Company P.C.*

Topsfield, Massachusetts  
March 28, 2013

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BOSTON TENANT COALITION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

ASSETS

CURRENT ASSETS:

Cash	\$ 30,877
Grants receivable	271,200
Prepaid expenses	<u>4,802</u>
Total current assets	<u>306,879</u>

EQUIPMENT, net	<u>448</u>
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TOTAL ASSETS	<u><u>\$ 307,327</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 4,980
Accrued expenses	<u>3,489</u>
Total current liabilities	<u>8,469</u>

NET ASSETS:

Unrestricted	(32,010)
Temporarily restricted	<u>330,868</u>
Total net assets	<u>298,858</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 307,327</u></u>
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*See accompanying notes and independent accountants' review report.*

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BOSTON TENANT COALITION, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions:			
Organizations	\$ 137,432	\$ 312,168	\$ 449,600
Individuals	3,936	-	3,936
Other income	1,018	-	1,018
Net assets released from restrictions	67,500	(67,500)	-
	<hr/>		
Total support and revenue	209,886	244,668	454,554
	<hr/>		
<b>EXPENSES:</b>			
Consulting	83,923	-	83,923
Payroll	83,572	-	83,572
Payroll taxes and benefits	30,623	-	30,623
Staff development	8,084	-	8,084
Rent	7,800	-	7,800
Professional fees	7,734	-	7,734
Miscellaneous	4,000	-	4,000
Supplies	2,798	-	2,798
Travel	2,656	-	2,656
Printing and postage	2,403	-	2,403
Telephone	2,138	-	2,138
Insurance	2,031	-	2,031
Depreciation	278	-	278
	<hr/>		
Total expenses	238,040	-	238,040
	<hr/>		
CHANGE IN NET ASSETS	(28,154)	244,668	216,514
NET ASSETS, BEGINNING OF YEAR	(3,856)	86,200	82,344
	<hr/>		
NET ASSETS, END OF YEAR	\$ (32,010)	\$ 330,868	\$ 298,858
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See accompanying notes and independent accountants' review report.

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BOSTON TENANT COALITION, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 216,514
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	278
Cash provided by (used in) changes in:	
Grants receivable	(193,700)
Accounts payable	(4,573)
Accrued expenses	399
Prepaid expenses	<u>(3,422)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES -	
Purchase of equipment	<u>(645)</u>
NET INCREASE IN CASH	14,851
CASH AT BEGINNING OF YEAR	<u>16,026</u>
CASH AT END OF YEAR	<u>\$ 30,877</u>

*See accompanying notes and independent accountants' review report.*

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BOSTON TENANT COALITION, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

1. ORGANIZATION

The Boston Tenant Coalition, Inc. ("BTC") was founded in 1995 in the aftermath of the end of rent control. Since 1995, BTC has been strengthening the tenant movement by organizing tenant leaders across constituencies (private, public, subsidized housing, seniors, and disabled) to articulate and publicize a tenant agenda, expanding statewide coalition efforts to protect and expand tenant rights, increase support for low-income housing, and defeat real estate industry attempts to erode tenant rights. BTC is supported primarily through donor contributions and grants. Donors may deduct contributions made to BTC within Internal Revenue Code requirements.

BTC operates the following major programs and campaigns:

**Coalition for Occupied Homes in Foreclosure ("COHIF")**

COHIF is a Boston-based coalition of approximately 25 tenant, community, non-profit, legal, and government groups and organizations focused on keeping homeowners and tenants in their homes during and after the foreclosure process.

COHIF's goal is to undertake the following activities:

- The "Pilot" project to promote household and community stability in the Four Corners neighborhood of Dorchester, MA. The Pilot will focus on acquiring and rehabilitating approximately 30 foreclosed or at-risk units through an interim ownership entity that would quickly obtain site control and perform immediate repairs to meet code enforcement and prevent evictions. During this time, COHIF will arrange for takeout financing that will maintain affordability, explore ownership models, identify the long-term owner to substantially rehabilitate the properties, and establish formal resident participation mechanisms.
- Strategic Initiatives including:
  - a. Developing strategies for a new program for targeted code enforcement of foreclosed properties;
  - b. Identifying models for interim and long term ownership and financing mechanisms to achieve stability for the Pilot in Boston; and
  - c. Continuing to organize residents in foreclosed properties, and provide critical training and resources to tenant organizing staff to increase capacity and build social capital in destabilized communities.

**10,000 Affordable Homes Campaign**

The goal of the 10,000 Affordable Homes campaign is the creation of 10,000 units of permanently affordable housing. The campaign is also working on creating new policies against the displacement of tenants and owners due to foreclosure and trying to capture foreclosed units for affordable housing.

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BOSTON TENANT COALITION, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)  
(Continued)

1. **ORGANIZATION** *(Continued)*

**Latino Tenant Organizing Initiative**

The goal of the Latino Tenant Organizing Initiative program is to inform and educate the Latino immigrant community about tenant rights, housing discrimination, and housing policy issues.

**Inclusionary Zoning Campaign**

Through the Inclusionary Zoning campaign, BTC continues to monitor the need for reforms of the Inclusionary Development Policy (IDP) in Boston, MA, which directs housing developers to set aside a certain percentage of their new units as affordable housing. The focus is to continue to advocate for affordable housing units and funds created by IDP to benefit low and very low income families in addition to more moderate income households.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. **Standards of Accounting and Reporting**

BTC follows standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' *Audit and Accounting Guide for Not-for-Profit Organizations*.

b. **Management's Review**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 28, 2013, the date the financial statements were available to be issued.

c. **Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, BTC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

**Unrestricted** - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

**Temporarily Restricted** - Net assets whose use by the organization is subject to donor-imposed restrictions that can be fulfilled by actions of the organization pursuant to those restrictions or that expire by the passage of time.

**Permanently Restricted** - Net assets subject to donor-imposed restrictions that they be maintained permanently by the organization. No permanently restricted assets were held during 2012 and accordingly, these financials do not reflect any activity related to this class of net assets for 2012.

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BOSTON TENANT COALITION, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)  
(Continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

d. Use of Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

e. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

f. Equipment

Equipment is recorded at cost, when purchased, or if donated, at its estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized.

g. Depreciation

Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. The equipment is being depreciated over three years.

h. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is satisfied), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

i. Allocation of Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by BTC's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of BTC.

j. Income Taxes

BTC is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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BOSTON TENANT COALITION, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

(Continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

j. Income Taxes (Continued)

BTC's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2009, 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

3. **EQUIPMENT**

Equipment consists of the following:

Equipment, at cost	\$ 4,758
Accumulated depreciation	<u>(4,310)</u>
Equipment, net	<u>\$ 448</u>

4. **TEMPORARY RESTRICTED NET ASSETS**

At June 30, 2012, BTC had temporarily restricted net assets of \$330,868, of which \$277,368 was donor restricted for programmatic purposes and \$53,500 was restricted for time purposes. As of June 30, 2012, \$225,968 was restricted for the COHIF program.

5. **RETIREMENT PLAN**

BTC maintains a voluntary, tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code for full-time employees. Eligible employee contributions to the plan are voluntary. For the year ended June 30, 2012, BTC did not contribute to the plan.

6. **COMPENSATED ABSENCES**

Employees of BTC are entitled to paid vacation, sick, and personal days, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. BTC's policy is to recognize the costs of compensated absences when actually paid to employees.

7. **OCCUPANCY**

BTC leases office space as a tenant at will. Under the terms of the tenancy, BTC is obligated to pay a proportionate share of operating and maintenance expenses in addition to their portion of the monthly rent. Rent expense for the year ended June 30, 2012 was \$7,800.

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BOSTON TENANT COALITION, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)  
*(Continued)*

**8. FUNCTIONAL CLASSIFICATION OF EXPENSES**

Expenses by function for the year ended June 30, 2012 were as follows:

Program services	\$ 208,957
General and administrative	21,084
Fundraising	<u>15,999</u>
Total Expenses	<u>\$ 246,040</u>