

COLLEGE BOUND DORCHESTER, INC.

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2010 AND 2009**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
College Bound Dorchester, Inc.
Dorchester, Massachusetts

We have audited the statements of financial position of College Bound Dorchester, Inc. (a non-profit organization) as of September 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College Bound Dorchester, Inc. as of September 30, 2010 and 2009, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010, on our consideration of College Bound Dorchester, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

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

December 3, 2010

COLLEGE BOUND DORCHESTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 172,365
Cash - restricted as collateral	860,416	955,646
Accounts receivable - grants and contracts	503,641	292,747
Other receivables	12,325	42,391
Prepaid expenses	55,545	57,589
Investments	934	1,125
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	1,432,861	1,521,863
 PROPERTY AND EQUIPMENT		
Property and equipment, less accumulated depreciation of \$1,953,675 and \$1,874,992, respectively	1,014,026	1,035,367
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TOTAL ASSETS	<u>\$ 2,446,887</u>	<u>\$ 2,557,230</u>

COLLEGE BOUND DORCHESTER, INC.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2010 AND 2009

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Current portion of notes payable	\$ 74,326	\$ 61,475
Line of credit	66,000	66,000
Accounts payable	145,216	99,715
Deferred revenue	41,795	26,795
Accrued liabilities	253,451	371,337
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	580,788	625,322
LONG-TERM DEBT		
Notes payable, net of current portion	500,445	573,533
	<hr/>	<hr/>
TOTAL LIABILITIES	1,081,233	1,198,855
NET ASSETS		
Unrestricted		
Available for operations	351,628	323,008
Investment in plant	1,014,026	1,035,367
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Total unrestricted net assets	1,365,654	1,358,375
	<hr/>	<hr/>
TOTAL NET ASSETS	1,365,654	1,358,375
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,446,887</u>	<u>\$ 2,557,230</u>

COLLEGE BOUND DORCHESTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
SUPPORT AND REVENUE		
Program service and reimbursements	\$ 3,893,473	\$ 4,139,729
Contributions and grants	1,472,106	1,505,987
Other revenue	47,207	33,475
Investment income	4,673	5,266
	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	5,417,459	5,684,457
EXPENSES		
Program services		
Early Education	2,642,341	2,676,108
Out of School Time	670,779	540,395
Adolescent Education	191,853	212,000
Alternative Education	421,811	268,491
Adult Education	491,324	315,909
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Total program services	4,418,108	4,012,903
Support services	1,052,937	1,736,816
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TOTAL PROGRAM AND SUPPORT EXPENSES	5,471,045	5,749,719
IN-KIND CONTRIBUTIONS	60,865	75,766
	<hr/>	<hr/>
INCREASE IN NET ASSETS	7,279	10,504
NET ASSETS - BEGINNING OF YEAR	1,358,375	1,347,871
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NET ASSETS - END OF YEAR	\$ 1,365,654	\$ 1,358,375
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COLLEGE BOUND DORCHESTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Program Services					Support Services		
	<i>Early Education</i>	<i>Out of School Time</i>	<i>Adolescent Development</i>	<i>Alternative Education</i>	<i>Adult Education</i>	<i>Total</i>	<i>General & Administrative</i>	<i>Total</i>
Salaries	\$ 1,719,285	\$ 314,185	\$ 120,488	\$ 267,718	\$ 308,180	\$ 2,729,856	\$ 471,340	\$ 3,201,196
Payroll taxes	58,185	20,203	8,793	19,526	22,950	129,657	32,750	162,407
Benefits	56,654	22,311	10,037	16,090	16,670	121,762	65,872	187,634
Total salaries and related expenses	1,834,124	356,699	139,318	303,334	347,800	2,981,275	569,962	3,551,237
Occupancy	219,094	131,341	22,974	46,404	99,441	519,254	88,358	607,612
Transportation and travel	336,406	109,385	3,170	4,735	3,077	456,773	7,924	464,697
Program supplies and materials	48,330	23,189	9,066	40,072	18,206	138,863	277,506	416,369
Office supplies and expenses	13,280	8,008	1,720	4,621	7,691	35,320	47,019	82,339
Interest	-	-	-	-	-	-	44,239	44,239
Food and nutrition supplies	152,666	10,927	1,134	4,677	470	169,874	4,755	174,629
Subcontracted direct care and temporary help	16,401	10,536	8,927	3,885	4,762	44,511	6,676	51,187
Total expenses before depreciation	2,620,301	650,085	186,309	407,728	481,447	4,345,870	1,046,439	5,392,309
Depreciation and amortization	22,040	20,694	5,544	14,083	9,877	72,238	6,498	78,736
Total expenses	<u>\$ 2,642,341</u>	<u>\$ 670,779</u>	<u>\$ 191,853</u>	<u>\$ 421,811</u>	<u>\$ 491,324</u>	<u>\$ 4,418,108</u>	<u>\$ 1,052,937</u>	<u>\$ 5,471,045</u>

The accompanying notes are an integral part of these financial statements.

COLLEGE BOUND DORCHESTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Program Services					Support Services			
	<u>Early Education</u>	<u>Out of School Time</u>	<u>Adolescent Development</u>	<u>Alternative Education</u>	<u>Adult Education</u>	<u>Total</u>	<u>General & Administrative</u>	<u>Site Admin</u>	<u>Total</u>
Salaries	\$ 755,412	\$ 264,142	\$ 137,862	\$ 186,254	\$ 219,081	\$ 1,562,751	\$ 652,802	\$ 52,064	\$ 2,267,617
Payroll taxes	56,672	18,761	9,907	13,075	16,224	114,639	64,141	4,222	183,002
Benefits	70,608	47,513	20,806	39,734	14,468	193,129	71,821	10,548	275,498
Total salaries and related expenses	882,692	330,416	168,575	239,063	249,773	1,870,519	788,764	66,834	2,726,117
Occupancy	157,490	68,652	5,426	1,654	4,802	238,024	221,488	139,922	599,434
Transportation and travel	319,779	96,538	911	918	610	418,756	23,657	2,858	445,271
Program supplies and materials	53,475	16,433	23,140	7,131	41,842	142,021	282,611	21,224	445,856
Office supplies and expenses	9,081	2,096	558	1,039	2,011	14,785	24,803	12,387	51,975
Interest	-	-	-	-	-	-	46,321	-	46,321
Food and nutrition supplies	226,995	13,416	1,734	18,686	177	261,008	11,239	3,102	275,349
Subcontracted direct care and temporary help	1,023,376	10,689	11,656	-	16,694	1,062,415	17,158	1,140	1,080,713
Total expenses before depreciation	2,672,888	538,240	212,000	268,491	315,909	4,007,528	1,416,041	247,467	5,671,036
Depreciation and amortization	3,220	2,155	-	-	-	5,375	25,911	47,397	78,683
Total expenses	<u>\$ 2,676,108</u>	<u>\$ 540,395</u>	<u>\$ 212,000</u>	<u>\$ 268,491</u>	<u>\$ 315,909</u>	<u>\$ 4,012,903</u>	<u>\$ 1,441,952</u>	<u>\$ 294,864</u>	<u>\$ 5,749,719</u>

The accompanying notes are an integral part of these financial statements.

COLLEGE BOUND DORCHESTER, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 7,279	\$ 10,504
ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Depreciation	78,736	78,683
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable - grants and contracts	(210,894)	62,124
Decrease (increase) in other receivables	30,066	(15,586)
Decrease (increase) in prepaid expenses	2,044	(20,477)
Decrease in investments	191	734
Increase (decrease) in accounts payable	45,501	(75,676)
Increase (decrease) in deferred revenue	15,000	(8,205)
(Decrease) increase in accrued liabilities	(117,886)	96,322
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(149,963)</u>	<u>128,423</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(57,395)	(87,538)
NET CASH USED IN INVESTING ACTIVITIES	<u>(57,395)</u>	<u>(87,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	-	(14,000)
Payment of notes payable	(60,237)	(57,126)
NET CASH USED IN FINANCING ACTIVITIES	<u>(60,237)</u>	<u>(71,126)</u>
NET DECREASE IN CASH	(267,595)	(30,241)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,128,011</u>	<u>1,158,252</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 860,416</u>	<u>\$ 1,128,011</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
<i>Other Noncash Investing and Financing Activities paid during the year for:</i>		
Donated Services	\$ 60,865	\$ 75,766
Interest	<u>\$ 44,239</u>	<u>\$ 46,321</u>

The accompanying notes are an integral part of these financial statements.

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 1 ***NATURE OF BUSINESS***

Since 1965, Federated Dorchester Neighborhood Houses has provided the community of Dorchester with high-quality education, human and social services. During 2009, the organization changed their name to College Bound Dorchester ("College Bound") which reflects the organization's goal of ensuring that all students are on the path to college. The organization over the past 40 years has served thousands of children, youth and adults and invested millions of dollars in the Dorchester community. The Organization has been nationally recognized for the success of several programs.

College Bound's mission is to equip all students we serve with the attitude, skills and experience to graduate from college and positively impact their community. Today, the Organization's place-based education model focuses on critical developmental periods in the lives of 1,000 students each year through five program areas: Early Education, Out of School Time, Adolescent Development, Alternative Education and Adult Education.

NOTE 2 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

College Bound follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the "FASB". The FASB sets generally accepted accounting principles ("GAAP") that is followed for consistent financial reporting. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or "ASC". The FASB finalized the Codification effective for periods ending on or after September 15, 2009.

The financial statements of College Bound have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Classification and Reporting of Net Assets

College Bound has adopted FASB ASC 958-210-50-3 which establishes standards for external financial reporting purposes in three net asset categories according to donor-imposed restrictions. A description of the three net asset categories is as follows:

- Unrestricted net assets represent the portion of net assets of College Bound that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of College Bound as well as funds invested in plant including building and equipment.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by College Bound is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of College Bound pursuant to those stipulations.

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification and Reporting of Net Assets (Continued)

- Permanently restricted net assets represent contributions and other inflows of assets whose use by College Bound is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of College Bound.

Use of Estimates

College Bound has adopted FASB ASC 275-10-50-4, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Revenue is being recorded when earned by individual programs at the rate of reimbursement for unit contracts and at costs incurred for cost reimbursement contracts as certified by the Massachusetts Rate Setting Commission.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 2 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

Contributions (Continued)

Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Restrictions and Limitations on Net Assets

Temporarily restricted net assets include unexpended contributions temporarily restricted by donors for various programs.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and short-term investments having maturities of three months or less at the time of purchase.

Concentrations of Credit Risk

Substantially all accounts receivable are amounts due from various agencies of the federal government or the Commonwealth of Massachusetts pursuant to the terms of either fixed fee or cost reimbursement contracts. College Bound invoices the particular agency as specified by the contract. College Bound has not provided for an allowance for doubtful accounts, as all receivables are deemed fully collectible at September 30, 2010 and 2009. The accounts receivable balances at September 30, 2010 and 2009 were widely dispersed among a number of federal and state agencies.

Property and Equipment

Operating cash used for plant acquisitions is accounted for as transfers to investment in plant. Proceeds from the sale of plant assets, if unrestricted, are transferred to operating fund balances, or, if restricted, to deferred amounts until the terms of the restriction have been met.

Plant assets are recorded at cost or, if received by donation, at estimated fair market value at the time such properties were received

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Depreciation and amortization is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

	<u><i>Life</i></u>
Buildings	15 - 39 years
Furniture, fixtures and equipment	5 - 10 years
Vehicles	3 - 5 years

Expenditures for major renewals and improvements are capitalized for purchases in excess of \$500, while expenditures for maintenance and repairs are expensed as incurred.

Related Parties

During the years ended September 30, 2010 and 2009, College Bound received pro bono legal services from a law firm with an estimated fair market value of \$38,958 and \$34,662, respectively. Two partners of that law firm are members of the College Bound Board of Directors. Their time related to matters as directors has not been included in the pro bono legal services. College Bound will not be charged for these services and they have included this amount as donated revenue and related expense in the current statement of activities.

Income Tax Status

College Bound is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Other Matters

All gains and losses arising from the sale, collection, or other disposition of non-cash assets are accounted for in the net asset category that owned the assets. Ordinary income from investments, receivables, and the like is accounted for in the net asset category owning the assets.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 3 **CASH**

The Organization maintains its cash accounts at one financial institution. The balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk.

NOTE 4 **CASH - RESTRICTED AS COLLATERAL**

On September 28, 2007, a bank issued a term note of \$740,000 and made available a \$200,000 line-of-credit to College Bound. During 2009 the line-of-credit was amended to \$275,000. As part of the agreement, College Bound is to maintain a 1:1 ratio of collateral to loan outstanding. The collateral provided by College Bound is currently in a certificate of deposit with the Bank in an amount sufficient to guarantee all outstanding debt and line-of-credit availability. For 2010 and 2009 College Bound was in compliance with terms of collateral requirement. For the year ended September 30, 2010 the term of the CD was for seven months maturing on October 29, 2010 with interest of 0.10%. College Bound renewed the CD at the time of maturity in an amount sufficient to satisfy the Bank's collateral requirements.

NOTE 5 **PROPERTY AND EQUIPMENT**

At September 30, 2010 property and equipment consisted of the following:

	<i><u>Cost or Basis</u></i>	<i><u>Accumulated Depreciation</u></i>	<i><u>Depreciated Basis</u></i>
Buildings and improvements	\$ 1,961,027	\$ 1,053,173	\$ 907,854
Furniture, fixtures and equipment	976,860	870,688	106,172
Vehicles	<u>108,550</u>	<u>108,550</u>	<u>-</u>
	<u>\$ 2,989,042</u>	<u>\$1,953,675</u>	<u>\$1,014,026</u>

At September 30, 2009, property and equipment consisted of the following:

	<i><u>Cost or Basis</u></i>	<i><u>Accumulated Depreciation</u></i>	<i><u>Depreciated Basis</u></i>
Buildings and improvements	\$ 1,924,819	\$ 1,015,259	\$ 909,560
Furniture, fixtures and equipment	955,673	829,866	125,807
Vehicles	<u>108,550</u>	<u>108,550</u>	<u>-</u>
	<u>\$ 2,989,042</u>	<u>\$1,953,675</u>	<u>\$1,035,367</u>

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 6 **LINE-OF-CREDIT**

As of September 28, 2009 College Bound had available a \$275,000 line-of-credit, secured by a pledge of cash on deposit with the bank or by cash and/or other investment property maintained with a financial intermediary subject to control agreements reasonably acceptable to the bank. Interest on the outstanding borrowings is computed at LIBOR Advantage Rate plus the LA Margin. In the event the LIBOR rate is unavailable, interest on the note shall accrue at prime rate plus 0.50%. At September 30, 2010 and 2009 the rate was 3.50% and 5.5% respectively. As of September 30, 2010 and September 30, 2009 College Bound had outstanding borrowings of \$66,000 and \$66,000, respectively against the line-of-credit.

NOTE 7 **NOTES PAYABLE**

At September 30, 2010 and 2009, notes payable consisted of the following:

	<u>2010</u>	<u>2009</u>
Note payable to a bank due October, 2017, plus interest payable monthly at 6.54%, secured by a certificate of deposit (Note 4).	\$574,771	\$635,008
Less: current portion of long-term debt	<u>74,326</u>	<u>61,475</u>
	<u>\$500,445</u>	<u>\$573,533</u>

Principal payments on note payable are as follows:

2011	\$ 74,326
2012	75,237
2013	77,913
2014	80,684
2015	83,554
Thereafter	<u>183,057</u>
	<u>\$574,771</u>

During October 2010, the Organization refinanced the note payable with an interest rate of 3.50% effective October 1, 2010.

NOTE 8 **IN-KIND CONTRIBUTION**

College Bound receives support from many individuals who contribute their time, without charge, to enable College Bound to accomplish its purpose. In-kind contributions of this nature have not been reflected in the statements of activities, as they are not susceptible to objective measurement or valuation. During 2010 and 2009, volunteers provided approximately 7,000 hours, respectively, to College Bound.

COLLEGE BOUND DORCHESTER, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 8 **IN-KIND CONTRIBUTION (CONTINUED)**

College Bound did receive donated property and other professional services of which the aggregate fair market value was \$60,865 for 2010 and \$75,766 for 2009 which is included in the 2010 and 2009 statements of activities.

NOTE 9 **RETIREMENT PLANS**

College Bound has a profit-sharing plan in effect for all employees who are at least twenty-one years old and have the required length of service. Contributions are made at the discretion of the Board of Directors, and are allocated based on a percentage of total qualifying compensation. A participant in the plan is not vested until he has performed two years of service, at which time he is 25% vested. Participants are fully vested after five years. For the years ended September 30, 2010 and 2009, the Board of Directors elected not to make a current year contribution.

College Bound has a salary reduction plan pursuant to Section 401(k) of the Internal Revenue Code, for all employees who are at least twenty-one years of age, and who have at least one-half year of service (six consecutive month period). The plan is voluntary and contributory. All employees are eligible to participate except non-resident aliens with no United States income. Entry to the Plan occurs on the quarterly entry date coincident with, or next following the date the employee becomes eligible. For the years ended September 30, 2010 and 2009 there was no matching employer contribution.

NOTE 10 **LEASES**

College Bound has entered into a lease agreement for space used to operate existing programs and administrative space. The lease commenced on October 12, 2006 for a sixty-eight and one half month period and requires monthly payments through July 31, 2012. College Bound has another lease agreement through May 31, 2011 of monthly installments in the amount of \$1,900. Additionally, College Bound has an equipment operating lease of monthly installments in the amount of \$1,165 through November 2010. The budgeted amount of all of these costs for the subsequent years is estimated to be as follows:

<u>Year Ending September 30:</u>	
2011	\$ 207,311
2012	<u>22,800</u>
Total	<u>\$ 230,111</u>

NOTE 11 **SUBSEQUENT EVENTS**

College Bound has evaluated subsequent events through December 3, 2010, the date of the financial statements and none were noted for the year ending September 30, 2010.

SUPPLEMENTARY INFORMATION

COLLEGE BOUND DORCHESTER, INC.

STATEMENT OF ACTIVITIES - UNRESTRICTED NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<i>Unrestricted Net Assets</i>		<i>Total</i>
	<i>Operations</i>	<i>Investment in Plant</i>	
SUPPORT AND REVENUE			
Program service and reimbursements	\$ 3,893,473	\$ -	\$ 3,893,473
Contributions and grants	1,472,106	-	1,472,106
Other revenue	47,207	-	47,207
Investment income	4,673	-	4,673
TOTAL SUPPORT AND REVENUE	5,417,459	-	5,417,459
EXPENSES			
Program services			
Early Education	2,620,301	22,040	2,642,341
Out of School Time	650,085	20,694	670,779
Adolescent Education	186,309	5,544	191,853
Alternative Education	407,728	14,083	421,811
Adult Education	481,447	9,877	491,324
Total program services	4,345,870	72,238	4,418,108
Support services	1,046,439	6,498	1,052,937
TOTAL PROGRAM AND SUPPORT EXPENSES	5,392,309	78,736	5,471,045
IN-KIND CONTRIBUTIONS	60,865	-	60,865
INCREASE (DECREASE) IN NET ASSETS	86,015	(78,736)	7,279
NET ASSETS - BEGINNING OF YEAR	323,008	1,035,367	1,358,375
TRANSFERS			
Acquisition of property and equipment	(57,395)	57,395	-
NET ASSETS - END OF YEAR	\$ 351,628	\$ 1,014,026	\$ 1,365,654

COLLEGE BOUND DORCHESTER, INC.

STATEMENT OF ACTIVITIES - UNRESTRICTED NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<i>Unrestricted Net Assets</i>		<i>Total</i>
	<i>Operations</i>	<i>Investment in Plant</i>	
SUPPORT AND REVENUE			
Program service and reimbursements	\$ 4,139,729	\$ -	\$ 4,139,729
Contributions and grants	1,505,987	-	1,505,987
Other revenue	33,475	-	33,475
Investment income	5,266	-	5,266
TOTAL SUPPORT AND REVENUE	5,684,457	-	5,684,457
EXPENSES			
Program services			
Early Education	2,672,888	3,220	2,676,108
Out of School Time	538,240	2,155	540,395
Adolescent Education	212,000	-	212,000
Alternative Education	268,491	-	268,491
Adult Education	315,909	-	315,909
Total program services	4,007,528	5,375	4,012,903
Support services	1,663,508	73,308	1,736,816
TOTAL PROGRAM AND SUPPORT EXPENSES	5,671,036	78,683	5,749,719
IN-KIND CONTRIBUTIONS	75,766	-	75,766
INCREASE (DECREASE) IN NET ASSETS	89,187	(78,683)	10,504
NET ASSETS - BEGINNING OF YEAR	321,359	1,026,512	1,347,871
TRANSFERS			
Acquisition of property and equipment	(87,538)	87,538	-
NET ASSETS - END OF YEAR	\$ 323,008	\$ 1,035,367	\$ 1,358,375

COLLEGE BOUND DORCHESTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Contract Number</i>	<i>Federal CFDA Number</i>	<i>Disbursements/ Expenditures</i>
Department of Health and Human Services			
Passed through Commonwealth of Mass.			
Department of Early Education and Care			
Child Care	CT-EEC-600010Federated141E	93.596	\$ 1,419,583
Supportive Child Care	6250000460210000000SP	93.596	1,074,212
Child Care For Homeless Families	CT-EEC-6300CollegeBound PPHL	93.596	70,801
ARRA		93.596	2,647
Total Department of Health and Human Services			2,567,243
Department of Housing and Urban Development			
Passed through City of Boston			
Department of Neighborhood Development			
CDBG - After School Collaborative	DNDC10001	14.218	29,484
Total Department of Housing and Urban Development			29,484
Department of Agriculture			
Passed through Commonwealth of Mass.			
Department of Education			
Child Care Food	13-035-P5	10.558	80,683
Passed through Commonwealth of Mass.			
Department of Education			
School Food	13-035-P5	10.555	239
Total Department of Agriculture			80,922
Department of Education			
Passed through Commonwealth of Mass.			
Department of Education			
English as a Second Language	359-013-9-85388-J	84.002	304,866
Total Department of Education			304,866
National Endowment for the Arts			
Art a la Carte	09-5100-8189	45.024	26,250
Art a la Carte	09-7700-2010	45.024	10,000
ARRA	09-5188-7237	45.024	25,000
Total National Endowment for the Arts			61,250
Department of Children and Family Services			
Passed through Commonwealth of Mass.			
Alternative School	INTF000002501020244		57,998
Total Department of Children and Family Services			57,998
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,101,763

COLLEGE BOUND DORCHESTER, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of College Bound, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at September 30, 2010.