

REBUILDING TOGETHER BOSTON, INC.  
REPORT ON AUDIT OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

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TIMOTHY M. CRAVEN

*Certified Public Accountant*

Independent auditor's report

To the Board of Directors  
Rebuilding Together Boston, Inc.  
Jamaica Plain, Massachusetts

I have audited the accompanying statement of financial position of Rebuilding Boston Together, Inc., (a nonprofit organization) as of June 30, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together Boston, Inc., as of June 30, 2010, and its changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Timothy M. Craven CPA*

January 21, 2011

REBUILDING TOGETHER BOSTON, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

ASSETS

Current Assets:

Cash and cash equivalents

\$ 59,289

Total current assets

59,289

Fixed Assets

Office equipment

\$ 7,383

Less: accumulated depreciation

(6,603)

780

TOTAL ASSETS

\$ 60,069

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses

\$ 19,414

Total current liabilities

19,414

Net Assets:

Unrestricted net assets

40,655

TOTAL LIABILITIES AND NET ASSETS

\$ 60,069

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

REBUILDING TOGETHER BOSTON, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

SUPPORT AND REVENUE:	
Support:	
Cash contributions	\$ 240,439
Special event revenues	15,719
Donated services, materials and facilities	231,388
Total support	<u>487,546</u>
Revenue:	
Investment income	239
Total revenue	<u>239</u>
TOTAL SUPPORT AND REVENUE	<u>487,785</u>
EXPENSES:	
Program services:	
Building rehabilitation services	302,890
Support services:	
Management and general	122,532
Fund-raising	2,124
Total support services	<u>124,656</u>
Total expenses	<u>427,546</u>
Change in unrestricted net assets	60,239
Unrestricted net assets, beginning of year	<u>(19,584)</u>
Unrestricted net assets, end of year	<u>\$ 40,655</u>

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

REBUILDING TOGETHER BOSTON, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND-RAISING</u>	<u>TOTAL EXPENSES</u>
Salaries	\$	\$ 90,092	\$	\$ 90,092
Payroll taxes and fringe benefits		14,739		14,739
Payroll processing fees		1,992		1,992
Contributed services	159,660			159,660
Materials	104,597			104,597
Professional fees		2,700		2,700
Meals	2,997			2,997
Rent	7,000			7,000
National dues	6,000			6,000
Insurance	1,723	4,861		6,584
Event expense			2,124	2,124
Equipment rental	15,219	2,003		17,222
Trash removal and sanitation	949			949
Conferences and seminars		2,692		2,692
Office expenses		1,847		1,847
Gifts and awards	3,450			3,450
Depreciation		520		520
Other costs	1,295	1,086		2,381
	<u>1,295</u>	<u>1,086</u>		<u>2,381</u>
TOTAL	<u>\$ 302,890</u>	<u>\$ 122,532</u>	<u>\$ 2,124</u>	<u>\$ 427,546</u>

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

REBUILDING TOGETHER BOSTON, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

Cash flows used by operating activities:	\$ 60,239
Change in unrestricted net assets	
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Decrease in donations receivable	
Decrease in prepaid expenses	
Depreciation	520
Decrease in security deposits	
Decrease in accounts payable and accrued expenses	<u>(10,498)</u>
Net cash provided by operating activities	50,261
Cash flows used in investing activities;	
Cash and cash equivalents, beginning of year	<u>9,028</u>
Cash and cash equivalents, end of year	<u>\$ 59,289</u>

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

1. Nature of organization:

Rebuilding Together Boston, Inc., (the "Organization") was organized in January, 1992 as a community based program to assist low-income, elderly, and disabled persons to live in warmth, safety and decency through volunteer repair and renovations of homes and other facilities. Most repair work is completed on the last Saturday in April.

2. Summary of significant accounting policies:

Basis of accounting:

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

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Any temporarily restricted support received in the current year whose restrictions are satisfied with the fiscal year are recorded as unrestricted support. At June 30, 2010, the Organization has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Cash and cash equivalents:

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the disclosures and reported amounts of assets and liabilities and disclosure of contingencies at June 30, 2010.

Property and equipment:

The Organization capitalizes all property and equipment acquisitions in excess of \$500. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the donated assets to a specific purpose.

Property and equipment are depreciated on a straight line basis over their estimated useful lives. Office equipment and vehicles have estimated useful lives of five years.



FOR THE YEAR ENDED JUNE 30, 2010

2. Summary of significant accounting policies - continued:

Donated goods and services:

The Organization receives a significant amount of donated goods and services from unpaid volunteers who assist in rehabilitation projects or otherwise provide professional services. The Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made, requires the Organization to recognize the value of services provided by volunteers that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods are valued at their fair value at the date of donation.

Based on these criteria, the Organization has recognized \$159,660 for contributed services related to rehabilitation projects and \$71,728 for donated goods. Donated services by numerous other volunteers, valued at \$111,965 which do not meet the recognition criteria of the accounting standard, are not recorded.

Income taxes:

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Functional expenses:

Expenses are charged directly to program, management and general, or fund-raising based on specific identification.

3. Lease:

On July 15, 2007, the Organization entered into a non-cancellable lease with an initial term of three years. The lease provides for an annual base rent of \$30,625 and additional rent for certain common area charges as outlined in the lease. The Organization has the option to extend the lease for an additional two year term. As of July 1, 2009, the Organization has moved out of its office. As of January 21, 2011 no legal action has been instituted relative to non-compliance with lease terms.