

REBUILDING TOGETHER BOSTON, INC.
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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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, 2011 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, 2011, 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

May 14, 2012

REBUILDING TOGETHER BOSTON, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

ASSETS

Current Assets:

Cash and cash equivalents		\$	55,329
Pledges receivable			<u>3,000</u>

Total current assets			<u>58,329</u>
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Fixed Assets

Office equipment	\$	7,383	
Less: accumulated depreciation		<u>(7,383)</u>	<u>0</u>

TOTAL ASSETS			<u>\$ 58,329</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses		\$	<u>6,769</u>
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Total current liabilities			<u>6,769</u>
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Net Assets:

Unrestricted net assets			<u>51,560</u>
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TOTAL LIABILITIES AND NET ASSETS			<u>\$ 58,329</u>
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The accompanying notes are an integral part of these financial statements.

REBUILDING TOGETHER BOSTON, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

SUPPORT AND REVENUE:	
Support:	
Cash contributions	\$ 182,764
Special event revenues	17,827
Donated services, materials and facilities	76,647
Total support	<u>277,238</u>
Revenue:	
Investment income	48
Total revenue	<u>48</u>
TOTAL SUPPORT AND REVENUE	<u>277,286</u>
EXPENSES:	
Program services:	
Building rehabilitation services	230,231
Support services:	
Management and general	24,699
Fund-raising	11,451
Total support services	<u>36,150</u>
Total expenses	<u>266,381</u>
Change in unrestricted net assets	10,905
Unrestricted net assets, beginning of year	<u>40,655</u>
Unrestricted net assets, end of year	<u>\$ 51,560</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, 2011

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND-RAISING</u>	<u>TOTAL EXPENSES</u>
Salaries	\$ 72,000	\$ 9,000	\$ 9,000	\$ 90,000
Payroll taxes and fringe benefits	14,990	1,874	1,873	18,737
Payroll processing fees		1,618		1,618
Contributed services	25,920			25,920
Materials	94,484			94,484
Professional fees		3,113		3,113
Meals	3,112			3,112
Rent	8,425			8,425
National dues	5,000			5,000
Insurance		3,655		3,655
Event expense			578	578
Equipment rental	1,865			1,865
Trash removal and sanitation	400			400
Conferences and seminars				0
Office expenses		3,145		3,145
Gifts and awards	3,765			3,765
Depreciation		780		780
Other costs	270	1,514		1,784
	<u>270</u>	<u>1,514</u>	<u>578</u>	<u>1,784</u>
TOTAL	<u>\$ 230,231</u>	<u>\$ 24,699</u>	<u>\$ 11,451</u>	<u>\$ 266,381</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, 2011

Cash flows used by operating activities:	\$ 10,905
Change in unrestricted net assets	
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Increase in donations receivable	(3,000)
Decrease in prepaid expenses	
Depreciation	780
Decrease in security deposits	
Decrease in accounts payable and accrued expenses	<u>(12,645)</u>
Net cash provided by operating activities	(3,960)
Cash and cash equivalents, beginning of year	<u>59,289</u>
Cash and cash equivalents, end of year	<u><u>\$ 55,329</u></u>

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

REBUILDING TOGETHER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. Nature of organization:

Rebuilding Together Boston, Inc., (the "Organization") was organized in January, 1991 as a non-profit and community-based program to assist low-income Boston homeowners (veterans, elderly, the physically challenged, families with children, single parent households and others in need) and not-for-profit organizations. The organization's goals are to preserve affordable housing and homeownership and stabilize and revitalize neighborhoods in the City. Repairs are undertaken by paid and volunteer skilled labor, and other unpaid volunteers. Home and facility repair work is completed through three programs: National Rebuilding Day each April (the largest program), Special Service Days (May through October) and Year-Round Program.

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, 2011, 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, 2011.

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 have estimated useful lives of five years.

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 \$25,920 for contributed services related to rehabilitation projects and \$50,727 for donated goods. Donated services by numerous other volunteers, valued at \$99,580 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.