

CAREER COLLABORATIVE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

CAREER COLLABORATIVE, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Career Collaborative, Inc.

We have audited the accompanying statement of financial position of Career Collaborative, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Career Collaborative, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its 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 April 10, 2012, on our consideration of Career Collaborative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 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 audits.



Stanton & Co.
April 10, 2012

CAREER COLLABORATIVE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 384,638	\$ 386,423
Grant receivable	78,000	52,215
Contribution receivable	-	30,790
Pledge receivable	108,100	75,000
Other receivable	-	1,508
Prepaid expenses	<u>8,422</u>	<u>11,192</u>
TOTAL CURRENT ASSETS	579,160	557,128
FIXED ASSETS:		
Furniture and equipment, net	<u>29,191</u>	<u>37,116</u>
OTHER ASSETS:		
Rent deposit	<u>8,474</u>	<u>8,474</u>
TOTAL ASSETS	<u>\$ 616,825</u>	<u>\$ 602,718</u>
CURRENT LIABILITIES:		
Accounts payable and accruals	\$ 22,831	\$ 9,337
Current portion of accrued rent	<u>4,730</u>	<u>4,730</u>
	27,561	14,067
LONG-TERM LIABILITIES:		
Accrued rent	<u>14,583</u>	<u>14,583</u>
TOTAL LIABILITES	<u>42,144</u>	<u>28,650</u>
NET ASSETS:		
Unrestricted net assets	399,681	447,603
Temporarily restricted net assets	<u>175,000</u>	<u>126,465</u>
TOTAL NET ASSETS	<u>574,681</u>	<u>574,068</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 616,825</u>	<u>\$ 602,718</u>

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

CAREER COLLABORATIVE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions	\$ 225,325	\$ 90,000	\$ 315,325
Corporate grants and contributions	80,595		80,595
Foundation grants	296,200	80,000	376,200
Government grants	50,667		50,667
Interest income	133		133
Miscellaneous income	1,212		1,212
Realized loss on sale of stock	(27)		(27)
Unrealized gain	28		28
Net assets released from restrictions	<u>121,465</u>	<u>(121,465)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>775,598</u>	<u>48,535</u>	<u>824,133</u>
EXPENSES:			
Program services	704,888		704,888
Support services:			
Management and general	58,912		58,912
Fundraising	<u>59,720</u>		<u>59,720</u>
Total support services	118,632		118,632
TOTAL EXPENSES	<u>823,520</u>		<u>823,520</u>
CHANGE IN NET ASSETS	(47,922)	48,535	613
NET ASSETS, BEGINNING OF YEAR	<u>447,603</u>	<u>126,465</u>	<u>574,068</u>
NET ASSETS, END OF YEAR	<u>\$ 399,681</u>	<u>\$ 175,000</u>	<u>\$ 574,681</u>

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

CAREER COLLABORATIVE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions	\$ 261,908	\$ 40,000	\$ 301,908
Corporate grants and contributions	70,715	40,000	110,715
Foundation grants	329,300	18,000	347,300
Government grants	51,209	41,965	93,174
Interest income	97		97
Realized loss on sale of stock	(21)		(21)
Net assets released from restrictions	<u>77,966</u>	<u>(77,966)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>791,174</u>	<u>61,999</u>	<u>853,173</u>
EXPENSES:			
Program services	611,932		611,932
Support services:			
Management and general	48,073		48,073
Fundraising	<u>60,043</u>		<u>60,043</u>
Total support services	108,116		108,116
TOTAL EXPENSES	<u>720,048</u>		<u>720,048</u>
CHANGE IN NET ASSETS	71,126	61,999	133,125
NET ASSETS, BEGINNING OF YEAR	<u>376,477</u>	<u>64,466</u>	<u>440,943</u>
NET ASSETS, END OF YEAR	<u>\$ 447,603</u>	<u>\$ 126,465</u>	<u>\$ 574,068</u>

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

CAREER COLLABORATIVE, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES:		
Change in net assets	\$ 613	\$ 133,125
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,475	9,045
Increase in grants receivable	(25,785)	(52,215)
Decrease (Increase) in contribution receivable	30,790	(21,667)
Increase in pledge receivable	(33,100)	(75,000)
Decrease (increase) in other receivable	1,508	(1,508)
Decrease (increase) in prepaid expenses	2,770	(3,612)
Decrease in accrued rent	-	(4,730)
(Decrease) increase in accounts payable and accruals	<u>13,494</u>	<u>(3,959)</u>
Net cash provided (used) by operating activities	<u>765</u>	<u>(20,521)</u>
INVESTING ACTIVITIES:		
Security deposit	-	7,822
Purchase of furniture and equipment	<u>(2,550)</u>	<u>(11,576)</u>
Net cash used by investing activities	<u>(2,550)</u>	<u>(3,754)</u>
Net decrease in cash and cash equivalents	(1,785)	(24,275)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF THE YEAR	<u>386,423</u>	<u>410,698</u>
END OF THE YEAR	<u><u>\$ 384,638</u></u>	<u><u>\$ 386,423</u></u>

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

CAREER COLLABORATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages and benefits	\$ 553,894	\$ 39,208	\$ 27,368	\$ 620,470
Professional and accounting	-	9,428	1,120	10,548
Occupancy	98,172	2,091	4,287	104,550
Insurance	2,996	2,424	49	5,469
Telephone and internet	9,602	721	1,211	11,534
Printing and advertising	5,018	85	9,708	14,811
Equipment maintenance	7,670	576	967	9,213
Postage	1,289	147	3,524	4,960
Supplies	10,049	414	1,156	11,619
Travel and meals	3,454	1,346	8,877	13,677
Depreciation expense	9,448	388	639	10,475
Staff training	1,129	495	186	1,810
Miscellaneous	<u>2,167</u>	<u>1,589</u>	<u>628</u>	<u>4,384</u>
TOTAL EXPENSES	<u>\$ 704,888</u>	<u>\$ 58,912</u>	<u>\$ 59,720</u>	<u>\$ 823,520</u>

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

CAREER COLLABORATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages and benefits	\$ 484,634	\$ 33,611	\$ 35,175	\$ 553,420
Professional and accounting	-	5,500	2,913	8,413
Occupancy	89,887	1,997	3,234	95,118
Insurance	3,143	2,304	19	5,466
Telephone and internet	8,623	556	930	10,109
Printing and advertising	1,837	210	4,745	6,792
Equipment maintenance	4,924	317	531	5,772
Postage	452	120	4,277	4,849
Supplies	4,906	402	960	6,268
Travel and meals	2,721	1,330	6,439	10,490
Depreciation expense	8,566	199	280	9,045
Staff training	426		38	464
Miscellaneous	<u>1,813</u>	<u>1,527</u>	<u>502</u>	<u>3,842</u>
TOTAL EXPENSES	<u><u>\$ 611,932</u></u>	<u><u>\$ 48,073</u></u>	<u><u>\$ 60,043</u></u>	<u><u>\$ 720,048</u></u>

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

CAREER COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Career Collaborative, Inc. (CC) is a nonprofit organization that helps low-income adults get and succeed at life-changing jobs. Services are offered to individuals in the Boston area who are legally entitled to work in the United States. These services include:

- Job-readiness/job-search workshops (basic training).
- Individual job-search assistance including personal referrals for qualified clients.
- A staffed resource room. Interns, volunteers and staff members help/prepare clients' résumés and cover letters; they also teach/help them find appropriate job opportunities on the web and submit on-line applications.
- Job-club: advanced job-search training and a job-search support group.
- Referrals for clients who need help with family or personal problems (e.g., childcare and housing).
- Two years post-placement mentoring and career development help.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board for *Financial Statements of Not-for-Profit Organizations*. Under these professional standards, the Organization 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. The Organization has no permanently restricted net assets.

Temporarily restricted net assets at December 31, 2011 and 2010 include grants for general operating support, equipment purchases and job search skills training to be spent in the following fiscal year. Temporarily restricted net assets released from time and purpose restrictions in 2011 and 2010 were used for general operating support and equipment purchases.

CAREER COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Continued

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - CONTINUED**

Cash Equivalents

Cash equivalents consist of money market funds that are readily convertible into cash.

Contributions and Pledges Receivable

Contributions receivable are due within the year. Amounts recorded in contributions receivable were subsequently collected; therefore, no allowance account is deemed necessary. Management believes that all pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges has been recorded.

Furniture and equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

CAREER COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Continued

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - CONTINUED**

CC receives a significant amount of donated services from unpaid volunteers who assist in delivering program services and various fund raising activities. No amounts have been recognized in the statement of activities because the criteria for recognition under accounting standards have not been satisfied.

Income Taxes

Career Collaborative, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income in 2011 or 2010.

CC has evaluated its tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financials statements. CC does not believe their evaluation of tax positions will significantly change within twelve months of December 31, 2011. Any changes in tax position will be recorded when the ultimate outcome becomes known. The Organization's tax returns are subject to examination by taxing authorities generally for the years ended December 31, 2009, 2010 and 2011.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – FURNITURE AND EQUIPMENT

Furniture and equipment includes the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Computer equipment	\$ 34,047	\$ 31,498
Software	10,038	10,038
Office furniture & equipment	48,565	48,565
Accumulated depreciation	<u>(63,459)</u>	<u>(52,985)</u>
Total	<u>\$ 29,191</u>	<u>\$ 37,116</u>

CAREER COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Continued

NOTE C – PLEDGES RECEIVABLE

As of December 31, 2011, CC has pledges receivable totaling \$108,100. Pledges receivable are scheduled to be collected as follows:

	<u>Total</u>
Less than one year	\$108,100
One to five years	<u>-</u>
	\$108,100

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE E – JOINT FUNDRAISING COSTS

The Organization publishes informational newsletters about its program that include a fundraising appeal. In 2011, the costs for printing and mailing the newsletter were \$9,657, and are allocated 37% to program and 63% to fundraising. No newsletter was published in 2010.

NOTE F – SOURCES OF FUNDING FOR 2011 AND 2010

During 2011 and 2010, CC was funded through foundation and corporate contributions and grants, a federal reimbursement grant, and individual contributions. Grants and contributions received are not to be construed as recurring gifts. Going forward, the Organization's funding strategy is to focus primarily on donations from foundations, corporations, and individuals.

CAREER COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Continued

NOTE G – RENT COMMITMENTS

On August 1, 2009 the Organization commenced a five and one half years lease for new office space. CC was required to pay a security deposit of \$16,296 in 2009. \$7,822 of the deposit was applied to the Organization's 2010 lease payments. The lease provides for 3 months of free rent which is valued at \$19,313 as of December 31, 2010. This amount is included in accrued rent and will be amortized over the life of the lease. Rent expense amounted to \$94,725 in 2011 and \$85,875 in 2010. Future minimum lease payments for the next three years are as follows:

2012	\$ 98,427
2013	102,338
2014	<u>105,597</u>
Total	<u>\$306,362</u>

NOTE H – CONCENTRATIONS

Contributors

For the years ended December 31, 2011 and 2010, contributions from individually significant contributors, which are contributors donating \$5,000 or more, amounted to approximately 87%, representing 42 donors, and 87%, representing 39 donors, of total contributions and grants, respectively. Contributions from members of the Board of Directors, their families, and foundations of which they are trustees were \$247,634 in 2011 and \$213,758 in 2010.

Cash

Cash is primarily in an institutional money market portfolio and is not insured. Some cash is held at a large commercial banking institution and insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2011 and 2010, per depositor. However, the Organization has not experienced any such losses and management does not believe that there is a significant risk of loss.

NOTE I –EMPLOYEE BENEFIT PLAN

CC has a Vanguard 403(b)(7) defined contribution plan that all eligible employees may participate. The Organization's contribution to the plan was \$7,732 and \$9,988, respectively, in 2011 and 2010.

CAREER COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Continued

NOTE J –SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 10, 2012 the date the financial statements were available to be issued.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Career Collaborative, Inc.

We have audited the financial statements of Career Collaborative, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated April 10, 2012. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Career Collaborative, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Career Collaborative, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Career Collaborative, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Massachusetts Department of Transitional Assistance, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Stanton & Co.

Stanton & Co.
April 10, 2012