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2011
audit

**OLD COLONY ELDER SERVICES, INC.
AND SUBSIDIARY**

YEARS ENDED JUNE 30, 2011 AND 2010



OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY

YEARS ENDED JUNE 30, 2011 AND 2010

2011

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Lefkowitz, Garfinkel, Champi & DeRienzo P.C.
 Certified Public Accountants / Business Consultants

2011

Independent Auditors' Report

Board of Directors
 Old Colony Elder Services, Inc.
 Brockton, Massachusetts

We have audited the accompanying consolidated statements of financial position of Old Colony Elder Services, Inc. (formerly Old Colony Elderly Services, Inc.) and Subsidiary (the Organization) as of June 30, 2011 and 2010, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Old Colony Elder Services, Inc. and Subsidiary as of June 30, 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.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2011 on our consideration of the Organization'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 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.

Lefkowitz, Garfinkel, Champi & DeRienzo P.C.

November 11, 2011

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – JUNE 30, 2011 AND 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 673,856	\$ 2,012,052
Cash – Board-designated	700,000	700,000
Accounts receivable, less allowance for doubtful accounts (2011, \$3,426; 2010, \$2,493)	4,194,817	2,290,801
Prepaid expenses and other	<u>93,538</u>	<u>56,965</u>
Total current assets	5,662,211	5,059,818
Investments	1,523,269	1,361,383
Property and equipment, less accumulated depreciation	<u>2,908,458</u>	<u>2,769,036</u>
Total assets	<u>\$ 10,093,938</u>	<u>\$ 9,190,237</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Current portion of long-term debt	\$ 52,959	\$ 48,536
Accounts payable	2,647,157	2,403,494
Accrued expenses	1,003,232	711,659
Deferred revenue	<u>59,014</u>	<u>41,168</u>
Total current liabilities	3,762,362	3,204,857
Long-term debt, less current portion	<u>1,095,088</u>	<u>1,148,931</u>
Total liabilities	<u>4,857,450</u>	<u>4,353,788</u>
Contingency and commitment (Notes 8 and 10)		
Net assets:		
Unrestricted:		
Board-designated	700,000	700,000
Undesignated	<u>4,530,253</u>	<u>4,130,827</u>
	5,230,253	4,830,827
Temporarily restricted	<u>6,235</u>	<u>5,622</u>
Total net assets	<u>5,236,488</u>	<u>4,836,449</u>
Total liabilities and net assets	<u>\$ 10,093,938</u>	<u>\$ 9,190,237</u>

See notes to consolidated financial statements.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating revenue and support:						
Grants and contracts	\$ 24,193,608	\$ 1,025	\$ 24,194,633	\$ 24,306,111	\$ 1,400	\$ 24,307,511
Investment income, net	176,686		176,686	154,011		154,011
Contributions	240,741		240,741	268,303		268,303
Fundraising	16,879		16,879	24,055		24,055
Net assets released from restrictions	412	(412)	-0-	1,556	(1,556)	-0-
Total operating revenue and support	24,628,326	613	24,628,939	24,754,036	(156)	24,753,880
Operating expenses:						
Program	22,365,725		22,365,725	22,768,882		22,768,882
Management and general	1,859,230		1,859,230	1,638,508		1,638,508
Fundraising	3,945		3,945	6,715		6,715
Total operating expenses	24,228,900		24,228,900	24,414,105		24,414,105
Increase (decrease) in net assets	399,426	613	400,039	339,931	(156)	339,775
Net assets, beginning of year	4,830,827	5,622	4,836,449	4,490,896	5,778	4,496,674
Net assets, end of year	\$ 5,230,253	\$ 6,235	\$ 5,236,488	\$ 4,830,827	\$ 5,622	\$ 4,836,449

See notes to consolidated financial statements.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 400,039	\$ 339,775
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Loss on disposal of equipment		1,772
Depreciation	232,281	225,788
Net gains on investments	(117,014)	(88,755)
Provision for losses on accounts receivable	8,815	9,451
Changes in assets and liabilities:		
Accounts receivable	(1,912,831)	783,548
Prepaid expenses and other	(36,573)	(319)
Accounts payable	243,663	(190,914)
Accrued expenses	281,344	75,892
Deferred revenue	17,846	(17,800)
 Net cash provided by (used in) operating activities	 <u>(882,430)</u>	 <u>1,138,438</u>
 <i>Cash flows from investing activities:</i>		
Proceeds from sales and maturities of investments	325,672	424,997
Purchase of:		
Investments and reinvested earnings	(370,544)	(463,281)
Property and equipment	(361,474)	(266,067)
 Net cash used in investing activities	 <u>(406,346)</u>	 <u>(304,351)</u>
 Cash used in financing activities, principal payments on long-term debt	 <u>(49,420)</u>	 <u>(45,232)</u>
 Net increase (decrease) in cash and cash equivalents	 (1,338,196)	 788,855
 Cash and cash equivalents, beginning of year	 <u>2,712,052</u>	 <u>1,923,197</u>
 Cash and cash equivalents, end of year	 <u>\$ 1,373,856</u>	 <u>\$ 2,712,052</u>
 Supplemental disclosure, cash paid for interest	 <u>\$ 82,356</u>	 <u>\$ 86,544</u>

See notes to consolidated financial statements.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies:

Principles of consolidation:

The consolidated financial statements include the accounts and transactions of Old Colony Elder Services, Inc. (OCES) (formerly Old Colony Elderly Services, Inc.) and its wholly-owned subsidiary, Brockton Main Street, LLC (BMS) (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Description of organization:

OCES, a private nonprofit organization, is designated as an Aging Services Access Point (ASAP) by the Massachusetts Executive Office of Elder Affairs (EOEA). OCES' purpose is to implement federal and state programs in 22 towns and the City of Brockton in Massachusetts. OCES services Avon and Stoughton in Norfolk County, Easton in Bristol County, the City of Brockton and the towns of Abington, Rockland, Hanover, Marshfield, Pembroke, Hanson, Whitman, Bridgewater, East Bridgewater, West Bridgewater, Halifax, Duxbury, Kingston, Plympton, Plymouth, Carver, Middleboro, Lakeville and Wareham in Plymouth County.

Its various programs include:

Home Care:

Care management and coordinated social services are provided to frail and vulnerable elders through the State Home Care, Protective Services, Enhanced Community Options, Community Choices, Clinical Assessment and Eligibility, and Congregate and Supportive Housing programs.

Title 111 C:

Nutrition services are provided to eligible elders in congregate settings or through home delivery.

Other:

Shelter, meals, supervision, personal care and/or transportation are provided in a family setting to infirm or disabled individuals through the Adult Family Care and Personal Care Attendant programs. OCES also coordinates services under the Family Caregiver, Money Management and Senior Care Organization programs.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies (continued):

Description of organization (continued):

The majority of OCES programs are funded by federal, state and local governments and are dependent upon continued funding. Management believes that there is sufficient bipartisan support for these programs to reasonably expect future funding to allow a continuation of such programs.

BMS was organized for the purpose of purchasing the building located at 144 Main Street, Brockton, Massachusetts, which serves as the OCES principal office.

Basis of financial statement presentation:

The Organization's net assets and activities that increase or decrease net assets are classified as either unrestricted, temporarily restricted or permanently restricted:

Unrestricted net assets are those without any donor-imposed restrictions as to their use and are available for the general operations of the Organization.

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Temporarily restricted net assets consist of funds restricted for use with the Elder Education and Community Outreach (EECO) program. The EECO program is a collaborative effort of OCES and other local organizations to bring professional education, information services and health screenings to seniors.

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. During the years ended June 30, 2011 and 2010, the Organization did not have any permanently restricted net assets.

Revenue, gains and other support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments or 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.

Contributions and net assets released from restrictions:

Contribution revenue is recorded as received. If the contribution is made in assets other than cash, the amount of the contribution is measured at the fair value of the asset contributed at the date the contribution or unconditional promise to give is made by the donor.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies (continued):

Contributions and net assets released from restrictions (continued):

Contributions of cash, including unconditional promises to give, and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period as received are reported as unrestricted contributions.

Gifts of long-lived assets such as property and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value measurements:

Accounting guidance pertaining to fair value measurements defines fair value, establishes a framework for measuring fair value and expands disclosures. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs that are not corroborated by market data

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies (continued):

Cash and cash equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash is held in two financial institutions whose deposits are federally insured. At June 30, 2011, the Organization had \$537 on deposit in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) under its revised limits.

Cash equivalents consist of overnight repurchase agreements with a bank that are supported by U.S. Treasury securities held in the name of the bank totaling \$1,020,572 and \$2,383,534 at June 30, 2011 and 2010, respectively. Under arrangements with the bank, excess cash balances are invested daily into overnight repurchase agreements.

Cash – board-designated:

The Board of Directors has designated \$700,000 of the Organization's unrestricted net assets at June 30, 2011 and 2010 to be set aside for future program expansion and funding of operations.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. Changes in the allowance for doubtful accounts have not been material to the consolidated financial statements.

Revenue recognition:

The Organization's revenues are reported when the services are provided or when expenditures covered by a grant are incurred. Contracts are primarily billed based upon a unit rate reimbursement or actual costs incurred. The Organization's primary revenue source is the Commonwealth of Massachusetts (the Commonwealth), which subjects the Organization to various regulations promulgated by the Commonwealth of Massachusetts Operational Services Division (the Division), EOEA and the Executive Office of Health and Human Services.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies (continued):

Revenue recognition (continued):

Excess of revenues over expenses from the Commonwealth supported programs, up to certain defined amounts, are available for retention by the Organization. Amounts in excess of the defined amounts are payable back to the Commonwealth. No amounts were due back to the Commonwealth at June 30, 2011 or 2010.

Rental revenues are recorded when due, generally on the first day of the month.

Investments:

The Organization's investments are stated at fair value using Level 1 inputs.

The cost of investments sold is determined using the specific identification method.

The Organization invests in a professionally managed portfolio. Such investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term would materially affect investment balances and the amounts reported in the Organization's consolidated financial statements.

The Organization evaluates its investments for other than temporary impairment on an ongoing basis. A decline in the fair value of an other than trading security below cost that is deemed to be other than temporary results in a new cost basis for the security which is equivalent to its fair value. In evaluating other than temporary impairment, the Organization considers its intent and ability to hold its investments until recovery and other relevant factors.

Property and equipment:

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over estimated useful lives of 39 years for the building and 4-5 years for equipment. Routine repairs and maintenance costs are charged to operations while those which materially improve or extend the lives of existing assets are capitalized.

The Organization evaluates long-lived assets held and used by the Organization for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Organization did not record any impairment losses during the years ended June 30, 2011 or 2010.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

1. Description of organization and summary of significant accounting policies (continued):

Retirement plan:

The Organization funds its defined contribution 401(k) plan as costs are accrued.

Income taxes:

OCES is organized under the provisions of Chapter 180 of the Massachusetts General Laws, and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

BMS is a single-member limited liability company and is considered a disregarded entity for income tax reporting purposes.

The Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2008.

Subsequent events:

The Organization has evaluated subsequent events through November 11, 2011, the date that the accompanying consolidated financial statements were available to be issued.

2. Investments:

Investments consist of the following:

	2011	2010
Money market funds	\$ 36,070	\$ 51,067
U.S. Government agency obligations, rated Aaa	636,932	579,273
Corporate and foreign bonds:		
Rated:		
A		52,743
A2	53,037	
A3	54,429	54,071
	107,466	106,814

(continued)

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED JUNE 30, 2011 AND 2010

2. Investments (continued):

Investments consist of the following (continued):

	2011	2010
Equity securities:		
Materials	\$ 21,927	\$ 16,933
Consumer	22,171	18,003
Consumer staples	21,491	18,630
Health care	20,983	17,225
Energy	26,309	15,729
Financial	19,313	18,003
Industrial	22,734	17,630
Information	19,458	17,459
Telecommunication	27,838	19,231
Utilities	21,782	18,787
	224,006	177,630
Mutual funds:		
Domestic fixed income	177,437	137,820
International fixed income	89,573	104,445
Domestic equity	133,011	107,568
International equity	118,774	96,766
	518,795	446,599
	\$ 1,523,269	\$ 1,361,383

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

2. Investments (continued):

Net investment income is comprised of the following:

	2011	2010
Interest and dividends	\$ 68,568	\$ 73,663
Net gain on investments	117,014	88,755
Fees	(8,896)	(8,407)
	\$ 176,686	\$ 154,011

3. Property and equipment:

	2011	2010
Land	\$ 137,000	\$ 137,000
Building	1,456,018	1,456,018
Building improvements	1,276,521	1,059,209
Furniture and fixtures	724,185	659,094
Computer equipment	394,463	343,935
	3,988,187	3,655,256
Less accumulated depreciation	1,079,729	886,220
	\$ 2,908,458	\$ 2,769,036

4. Accrued expenses:

	2011	2010
Retirement plan	\$ 262,098	\$ 234,595
Payroll and benefits	387,392	162,486
Employee vacation benefits	300,483	264,566
Other	53,259	50,012
	\$ 1,003,232	\$ 711,659

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

5. Line of credit:

At June 30, 2011 and 2010, the Organization has a line of credit (line) with a financial institution. The line expires on December 31, 2011 and bears interest at the prime rate (3.25% at June 30, 2011 and 2010) or the floor of 4%, whichever is greater. The Organization has a maximum borrowing amount of \$500,000 under the line, which is collateralized by all of the Organization's assets. The agreement relating to the line requires the Organization to meet certain covenants. At June 30, 2011 and 2010, no borrowings were outstanding under the line.

6. Long-term debt:

	2011	2010
Note payable, bank, amortized over twenty years, payable in monthly principal and interest installments of \$9,151 with a final balloon payment due on October 29, 2019. The note bears interest at 6.99% per annum and is collateralized by (a) a first lien mortgage, (b) assignment of leases and rents, and (c) various other financing documents, as defined in the loan agreement.	\$ 955,564	\$ 996,055
 Note payable, bank, amortized over twenty years, payable in monthly principal and interest installments of \$1,830 with a final balloon payment due on October 29, 2019. The note bears interest at 6.99% per annum and is collateralized by (a) substantially all assets, and (b) various other financing documents, as defined in the loan agreement.	192,483	201,412
	1,148,047	1,197,467
Less current portion	52,959	48,536
	\$ 1,095,088	\$ 1,148,931

Annual maturities of long-term debt are as follows:

Year ending June 30,	
2012	\$ 52,959
2013	57,069
2014	61,189
2015	65,606
2016	70,341
Thereafter	840,883
	\$ 1,148,047

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

6. Long-term debt (continued):

The notes payable contain restrictive covenants relating to, among others, maintenance of certain financial ratios and compliance with certain laws and regulations. As of June 30, 2011 and 2010, the Organization was in compliance with these covenants.

7. Retirement plan:

The Organization maintains a 401(k) retirement plan which covers all eligible employees who meet specified age and service requirements. The Organization's annual contribution is discretionary and is subject to annual approval by the Board of Directors. During the years ended June 30, 2011 and 2010, the Organization contributed 5% of eligible employees' compensation, which totaled \$262,098 and \$234,595, respectively.

8. Surplus revenue retention:

The Commonwealth of Massachusetts Not-For-Profit Provider Surplus Revenue Retention Policy pursuant to 808 CMR 1.19(3) of the Pricing, Reporting and Auditing for Social Programs, allows a provider to retain, for future use, a portion of annual net surplus. This net surplus, from the revenues and expenses associated with services provided to Purchasing Agencies which are subject to 808 CMR 1.00, may not exceed 5% of said provider's revenue annually. Furthermore, the cumulative amount of the provider's net surplus may not exceed 20% of the provider's prior years' revenues from Purchasing Agencies.

According to the Division's accounting and reporting policies, surplus revenue retention within the allowable limits is to be reported or disclosed as a component of unrestricted net assets. Any surplus revenue retained in excess of the aforementioned limits is to be reported as an unrestricted liability.

Excess surplus revenues may be recouped by the Commonwealth via price reductions in future agreements, by the return of such funds to the Commonwealth, or by the Commonwealth stipulating the use of such funds.

The Division has authorized a waiver for EOEA to implement its own surplus revenue retention policy which provides, among other things, that the Organization provide EOEA with a plan detailing the proposed use of said surplus funds.

OLD COLONY ELDER SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

8. Surplus revenue retention (continued):

The Organization has no surplus revenue that would be required to be reported as a liability at June 30, 2011 or 2010. The following presents the components of unrestricted net assets:

	Unrestricted Net Assets	Commonwealth of Massachusetts Cumulative Revenue Surplus	Total
Balance at June 30, 2009	\$ 3,606,452	\$ 884,444	\$ 4,490,896
Change in net assets	<u>774,004</u>	<u>(434,073)</u>	<u>339,931</u>
Balance at June 30, 2010	4,380,456	450,371	4,830,827
Change in net assets	<u>479,006</u>	<u>(79,580)</u>	<u>399,426</u>
Balance at June 30, 2011	<u>\$ 4,859,462</u>	<u>\$ 370,791</u>	<u>\$ 5,230,253</u>

9. Concentrations:

OCES' financial instruments that may be subject to concentrations of credit risk consist of cash, accounts receivable and investments.

The Organization depends heavily on the Commonwealth for funding. Approximately 63% of revenues for the years ended June 30, 2011 and 2010 were from contracts with the Commonwealth.

Approximately \$2,409,000 (56%) and \$767,000 (34%) of accounts receivable at June 30, 2011 and 2010, respectively, is due from the Commonwealth.

10. Collective bargaining agreement and subsequent event:

The Organization had a collective bargaining agreement (agreement), which expired June 30, 2011, covering approximately 28% of the Organization's labor force at June 30, 2011. Subsequent to year-end, the Organization negotiated an extension to the agreement under substantially similar terms through June 30, 2012.