Arlington Boys & Girls Club, Inc.
Financial Statements
December 31, 2010 and 2009

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To the Board of Directors of
Arlington Boys & Girls Club, Inc.:

Independent Auditor's Report

We have audited the accompanying statement of financial position of Arlington Boys & Girls Club, Inc. (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the period 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 audit.

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 Arlington Boys & Girls Club, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the period 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 25, 2011, on our consideration of Arlington Boys & Girls Club, Inc.'s internal control over financial reporting and 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 read in conjunction with this report in considering the results of our audit.

McLarney & Company, L.L.C.
McLarney & Company, L.L.C.
Chelmsford, MA
April 25, 2011

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Arlington Boys Girls Club, Inc.
Statement of Financial Position
As of December 31, 2010 and 2009

		Total 2010		Total 2009
ASSETS				
Current Assets:				
Cash & Cash Equivalents (Note A)	$	580,912	$	425,710
Certificates of Deposit		400,397		508,903
Accounts Receivable		22,381		15,717
Pledge Receivable (Note N)		89,275		-
Prepaid Expenses		17,886		13,788
Total Current Assets		1,110,851		964,119
Property, Plant and Equipment (Note A)				
Property, Plant & Equipment		2,250,222		2,149,222
Less: Accumulated Depreciation		(1,697,154)		(1,666,081)
Net Property, Plant and Equipment		553,067		483,141
Other Assets				
Investments (Notes B & C)		1,706,693		1,479,253
Construction in Progress		8,000		-
Total Other Assets		1,714,693		1,479,253
Total Assets	$	3,378,612	$	2,926,514
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	$	1,250	$	15,952
Accrued Liabilities		25,985		31,769
Total Current Liabilities		27,234		47,719
Other Liabilities				
Deferred Compensation (Note J)		136,414		97,836
Total Other Liabilities		136,414		97,836
Total Liabilities		163,648		145,555
Net Assets				
Unrestricted				
Available for operations		790,315		761,105
Board Designated (Note I)		2,173,319		1,997,789
Total Unrestricted		2,963,633		2,758,894
Temporarily Restricted		251,330		22,064
Permanently Restricted		-		-
Total Net Assets		3,214,963		2,780,957
Total Liabilities & Net Assets	$	3,378,613	$	2,926,514

Please see accompanying notes to the financial statements.

Arlington Boys Girls Club, Inc.
Statement of Activities and Changes in Net Assets
For the Years Ended December 31, 2010 and 2009

	Unrestricted Operating	Unrestricted Board Designated	Unrestricted Total	Temporarily Restricted	Permanently Restricted	Total 2010	Total 2009
Public Support & Revenues							
Program Fees	$ 1,547,120	$ -	$ 1,547,120	$ -	$ -	$ 1,547,120	$ 1,459,334
Membership Dues	198,164	-	198,164	-	-	198,164	197,796
Contributions	303,328	-	303,328	222,176	-	525,505	333,785
Fundraising-Special Events	114,044	-	114,044	-	-	114,044	107,218
United Way	48,000	-	48,000	-	-	48,000	51,976
Rental Income	39,357	-	39,357	-	$ -	$ 39,357	$ 37,831
Other Income	48,926	-	48,926	-	-	48,926	43,630
Investment Income (Notes A, C, & M)	9,951	36,246	46,198	1,302	-	47,499	48,885
Realized Gain (loss) (Notes A & C)	-	(22,328)	(22,328)	-	-	(22,328)	-
Unrealized Gain (loss) (Notes A, C, & M)	-	161,612	161,612	5,788	-	167,401	209,050
Total Public Support & Revenues	2,308,890	175,531	2,484,419	229,266	-	2,713,686	2,489,503
Expenses:							
Program Services	1,964,974	-	1,964,974	-	-	1,964,974	1,933,891
Management & General	272,635		272,635	-	-	272,635	265,295
Fundraising	42,070	-	42,070	-	-	42,070	27,359
Total Expenses	2,279,680	-	2,279,680	-	-	2,279,680	2,226,546
Increase (Decrease) in Net Assets	$ 29,209	$ 175,531	$ 204,740	$ 229,266	$ -	$ 434,006	$ 262,959
Net Assets - Beginning of Year	$ 761,105	$ 1,997,789	$ 2,758,894	$ 22,064	$ -	$ 2,780,958	$ 2,518,000
Net Assets - End of Year	$ 790,315	$ 2,173,319	$ 2,963,633	$ 251,330	$ -	$ 3,214,963	$ 2,780,957

Please see accompanying notes to the financial statements.

Arlington Boys Girls Club, Inc.
Statement of Functional Expenses
For the Years Ended December 31, 2010 and 2009

	Program Services	*Management & General*	*Fundraising*	*Total 2010*	*Total 2009*
Functional Expenses:					
Salaries & Wages	$ 1,105,553	$ 146,489	-	$ 1,252,042	$ 1,196,774
Payroll Taxes	91,007	10,557	-	101,563	88,135
Fringe Benefits (Note D)	152,827	25,086	-	177,912	160,014
Professional Fees & Consultants	36,551	12,184	-	48,735	55,866
Insurance	37,208	3,595	-	40,803	51,324
Utilities	94,948	2,898	-	97,846	103,281
Telephone	4,111	561	-	4,672	5,275
Program Expenses	349,632	-	-	349,632	376,154
Staff & Volunteer Training	24,501	-	-	24,501	22,128
Special Events	-	-	42,070	42,070	27,359
Repairs & Maintenance	41,888	-	-	41,888	41,512
Depreciation	21,751	9,322	-	31,073	33,542
Contributions	-	10,000		10,000	-
Other Administrative Expenses	-	50,279	-	50,279	59,667
Postage Expense	4,998	1,666	-	6,664	5,513
Total Functional Expenses	$ 1,964,974	$ 272,635	$ 42,070	$ 2,279,680	$ 2,226,546

Please see accompanying notes to the financial statements.

Arlington Boys Girls Club, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2010 and 2009

	Total 2010	Total 2009
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	$ 434,005	$ 262,959
Adjustments to Reconcile Net Assets To Net Cash Provided by Operating Activities:		
Depreciation (Note A)	31,073	33,542
Realized (gains) losses	22,328	-
Net unrealized (gains) losses	(168,357)	(185,438)
Donated Securities	10,734	-
Increase (decrease) in Accounts Receivable	95,939	7,151
Increase (decrease) in Prepaid Expenses	4,097	6,535
(Increase) decrease in Accounts Payable	(14,702)	(3,567)
(Increase) decrease in Accrued Expenses	(5,783)	(6,595)
(Increase) decrease in Deferred Compensation	(38,578)	(22,000)
Net Cash Provided by Operating Activities	247,840	129,539
Cash Flows From Investing Activities		
Purchases of Certificates of Deposit	108,506	(17,720)
Purchase of Investments	(224,881)	(15,987)
Sale of Investments	132,736	-
Purchases of Equipment	(109,000)	(30,885)
Net Cash Used by Investing Activities	(92,638)	(64,592)
Increase (Decrease) in Cash	$ 155,202	$ 64,947
Cash and Cash Equivalents - Beginning of Year	$ 425,710	$ 360,764
Cash and Cash Equivalents - End of Year	$ 580,912	$ 425,710

See Note K For Supplemental Cash Information.

Please see accompanying notes to the financial statements.

ARLINGTON BOYS & GIRLS CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

A. Summary of Significant Accounting Policies:

Nature of activities:
The Arlington Boys & Girls Club, Inc. (the Organization) is a non-profit Organization offering the use of its educational, recreational, and athletic facilities to its members and providing sound scholastic and physical education programs to the young of suburban Arlington, MA and vicinity. The Organization's support comes primarily from program fees and membership dues.

Basis of accounting:
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Advertising costs:
Advertising costs are charged to operations when incurred.

Basis of presentation:
Financial statement presentation follows the recommendations of the Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations.* Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets. The Organization has no permanently restricted net assets.

Contributions:
The Organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a 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 statement of activities as net assets released from restrictions.

Contributions which are restricted for use but whose restrictions are met in the same reporting period are reflected as unrestricted revenue as permitted by SFAS No. 116.

A. Summary of Significant Accounting Policies Continued:

Statements of cash flows:
For purposes of the statements of cash flows, the Organization considers all short-term instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments:
Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statements of financial position in accordance with SFAS 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations". Unrealized gains and losses are reported in the statement of activities. Investment income may be used for operating expenses.

Property, plant and equipment:
Acquisitions of property, plant and equipment in excess of $1,500 are recorded at cost. Donated equipment is recorded at fair value. Depreciation is computed on an accelerated basis over the estimated useful lives of the respective assets generally as follows:

Buildings	15 - 40 Years
Buildings improvements	10 - 39 Years
Equipment	5 - 7 Years
Furniture and fixtures	7 Years

Expenditures for maintenance and repairs are expensed when incurred.

Construction-in-Progress is stated at cost and not deprecated. The property will be transferred to property, plant, and equipment upon completion. The estimated cost of Construction-in-Progress at December 31, 2010 was $372,000.

Use of estimates:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Income taxes:
The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization has adopted FASB Interpretation 48 (FIN 48) Accounting for Uncertainty in Income Taxes. Assets and Liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold based on the technical merits of the positions. Estimated interest and penalties related to uncertain tax positions are included as a component of income tax expense. There are no adjustments to the Financial Statements as a result of uncertain tax positions. The Organization is not under examination by the Federal or State taxing authorities.

A. Summary of Significant Accounting Policies Continued:

Prior year summarized comparative information:
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Allowance for doubtful accounts
Trade accounts receivable are stated net of an allowance for doubtful accounts. The Organization estimates the allowance based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay.

Fair Value Measurement
Effective July 1, 2008, the Organization adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and enhances disclosures regarding fair value measurements. FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) on the measurement date, in the principal or most advantageous market for the asset or liability, and in an orderly transaction between market participants. The effect of adopting FAS 157 is further discussed in note B.

B. Property Plant and Equipment:
The following table summarizes property, plant and equipment with respective accumulated depreciation.

	2010	2009
Buildings	575,140	575,140
Building Improvements	1,166,718	1,065,718
Equipment	266,824	266,824
Furniture & Fixtures	63,777	63,777
Grants/Nynex	17,064	17,064
Hayden II Pool	67,250	67,250
Hayden Project	81,449	81,449
Land	12,000	12,000
Total Assets	2,250,222	2,149,222
Less: Accumulated Depreciation	(1,697,154)	(1,666,081)
Net Property, Plant & Equipment	$553,067	$483,141

C. Investments:

Investments consisted of the following at December 31, 2010:

	Fidelity Investments					
	2010			2009		
	Cost	Fair Value	Excess of Cost Over Fair Value	Cost	Fair Value	Excess of Cost Over Fair Value
Common Stocks	129,053	124,429	4,624	102,533	104,344	(1,811)
Fidelity Cash Reserves	98,637	98,637	0	60,607	60,607	0
Fidelity Diversified Int'l	44	34	10	24	31	(7)
Spartan Advantage Class	319,200	292,802	26,398	269,853	199,807	70,046
Spartan Int'l Advantage	196,971	158,257	38,714	164,026	117,527	46,499
Spartan Ext. Advantage Class	328,969	324,240	4,729	262,437	204,552	57,885
Fidelity US Bond Index	655,541	681,647	(26,106)	630,679	641,308	(10,629)
Fidelity Four In One	0	0	0	163,368	129,013	34,355
Split-Interest Agreement(Note L)	25,282	26,647	0	22,064	26,647	0
	$1,750,479	$1,706,693	$48,369	1,675,591	1,479,253	$196,338

Investment Income consisted of interest income of $9,951 and $10,906 and dividend income of $37,548 and $37,914 for the years ended December 31, 2010 and 2009. Total Investment Income was $47,499 and $48,885 for the years ended December 31, 2010 and 2009.

D. Fair value of investment assets and liabilities:

As discussed in *Note A*, in 2008, the Organization adopted FAS 157 and its applicable amendments. FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments are considered Level 1 and the Split-Interest Agreement is considered Level 3.

D. Fair value of investment assets and liabilities Continued:

December 31, 2010	Fair Value	Unadjusted Quoted Prices (Level 1)	Quoted Prices in Active Markets for Identical Assets (Level 2)	Significant Unobservable Inputs (Level 3)
Split-Interest Agreement	$26,647	$0	$0	$26,647
Fidelity Investments	1,680,046	0	1,680,046	0
Totals	$1,706,693	$0	$1,680,046	$26,647

December 31, 2009	Fair Value	Unadjusted Quoted Prices (Level 1)	Quoted Prices in Active Markets for Identical Assets (Level 2)	Significant Unobservable Inputs (Level 3)
Split-Interest Agreement	$22,064	$0	$0	$22,064
Fidelity Investments	1,457,189	0	1,457,189	0
	$1,479,253	$0	$1,457,189	$22,064

Fair Value using significant unobservable inputs (level 3) Split-Interest Agreement.

	2010
Beg Balance	$22,064
Gains or Losses (realized/unrealized)	3,550
Dividend	1,302
Purchases, Issuances, Redemptions	0
Fees	(269)
	$26,647

E. Employee Benefit Plan:
The Organization has a defined contribution money purchase plan covering substantially all employees. Effective January 1, 2003, Arlington Boys & Girls Club annually contributes ten percent of each eligible employee's salary. Plan expenses incurred by the Organization during 2010 and 2009 were $38,578 and $48,270, respectively.

F. Operating Leases:
The Organization leased vehicles under operating leases that expired during June 2009. In October of 2009, the Organization leased 4 new vehicles for 48 months that expire October 2013. Lease expense amounted to $23,546 and $27,258 for the years ended December 31, 2010 and 2009, respectively.

F. Operating Leases Continued:
The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2010:

Year ending December 31, 2010	
2011	$25,044
2012	25,044
2013	18,783
2014	0
2015 & thereafter	0
Total Minimum Payments Required $	68,871

G. Donated Services:
The Council receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

H. Concentration of Credit Risk:
The Organization maintains its cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000 at December 31, 2010 and 2009, respectively. Cash at this institution exceed the federally insured limit by $229,922 and $107,137 for the periods ended December 31, 2010 and 2009. The investments are not federally insured. The support of the agency is generated from fees and contributions with a small amount from grants and other contract agencies within the Commonwealth of Massachusetts.

I. Functional Allocation of Expenses:
The costs of providing the Organization's 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.

J. Net Assets:
Unrestricted net assets amounted to $2,963,633 and $2,758,894 at December 31, 2010 and 2009 respectively. The amount classified as Board Designated amounted to $2,173,319 and $1,997,799 at December 31, 2010 and 2009, respectively. These amounts have been designated by Board action for specific purposes.

K. Deferred Compensation:
During the year ended December 31, 2010, the Organization entered into a non-qualified deferred compensation arrangement with its Executive Director. As of December 31, 2010, the Organization met its obligation under the agreement by transferring the required contribution to a Trust established for the benefit of the Executive Director. Deferred Compensation expense for 2010 and 2009 was $22,000 and $31,000 respectively. The total amount funded as of 2010 and 2009 was $136,414 and $97,836, respectively.

L. Supplemental Cash Information -Noncash investing activities:

	2010	2009
Gifts of Goods & Service	-	-
Gifts of Equipment	-	-
Gift of Split Interest Agreement	9,328	6,395
Gift of Split Investment	-	-
Donated Securities	10,734	-
Interest Paid	-	-
Capitalized Interest	-	-
Taxes Paid	-	-
Total Noncash investing activities	20,062	6,395

M. Split - Interest Agreements

Split- Interest agreement investments (SIA) assets are invested primarily in publicly traded securities, and managed by Fidelity Management Company's portfolio advisory services. These assets are recorded at fair market value as discussed in Note B. The publicly traded securities are included as Level 3. Associated liabilities are recorded at the present value of estimated future payments due to beneficiaries. These liabilities were calculated using discount factors.

Temporarily Restricted Assets

Investment Return:	**2010**	**2009**
Investment Income	$1,302	$65
Change in Realized & Unrealized Appreciation	5,788	(8,947)
Total Investment Return	7,090	(8,882)
Total Split Interest Agreement - Net Assets beginning of the year	15,669	-
Total Split Interest Agreement - Net Assets end of the year	$22,759	(8,882)

Split - interest agreement net assets as of December 31, 2010 and 2009 consisted of the following:

Split-interest agreements (Note C)	**2010**	**2009**
Charitable remainder trust	$54,692	$51,474
Less: Amounts due to beneficiaries	(28,045)	(29,410)
Total Split interest agreement	$26,647	$22,064

N. Restatement of Financial Statements:

The Organization is a beneficiary in a split-interest agreement described in Note L. The terms of the Charitable Remainder Trust dated May 14, 2002 were not originally disclosed to the Organization. We have adjusted the beginning net assets in our financial statements as a contribution. The inclusions of these transactions included an increase to income of $22,064 and $15,669 for the years ended December 31, 2009 and 2008, respectively.

O. Pledge Receivables

During the 2010 fiscal year the Organization conducted a capital campaign to raise money for the construction of a locker room. The total contributions for this campaign were both received and pledged as a promise to give. The promised pledges amounted to $89,275 with Allowances for doubtful accounts amounting to $0 at December 31, 2010. All pledges are expected to be received within twelve months from time of pledge.

P. Related Party Transactions

The Organization donated an unrestricted contribution to related party ABGC Friends Inc amounting to $10,000 for the year ended December 31, 2010.

Q. Subsequent Events

The Organization has evaluated all subsequent events through April 25, 2011 the day the financials were available to be issued. At this date we noted is the collection of $60,500 of pledges included on the December 31, 2010 financial statements.

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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
Arlington Boys & Girls Club, Inc.:

We have audited the financial statements of Arlington Boys & Girls Club, Inc. (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 25, 2010. 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 Arlington Boys & Girls Club, 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 the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Arlington Boys & Girls Club, 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 the management, Board of Directors, others within the organization, 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.

McLarney & Company, L.L.C.

McLarney & Company, L.L.C.
Chelmsford, MA
April 25, 2010