



**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Financial Statements and Supplementary Schedules

August 31, 2009 and 2008

(With Independent Auditors' Report Thereon)



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## **Independent Auditors' Report**

The Board of Directors  
Action for Boston Community Development, Inc.:

We have audited the accompanying consolidated statements of financial position of Action for Boston Community Development, Inc. and subsidiaries (the Organization) as of August 31, 2009 and 2008, and the related consolidated statements of activities, functional expenses, 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 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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 Action for Boston Community Development, Inc. and subsidiaries as of August 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2009 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



Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included in schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

December 2, 2009

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Statements of Financial Position

August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 8,442,439	5,415,200
Cash held for others (note 8)	742,423	557,224
Accounts receivable (note 9)	8,114,681	6,544,635
Other assets	299,225	279,414
Property, plant, and equipment, net (note 2)	<u>17,782,354</u>	<u>18,213,823</u>
Total assets	<u>\$ 35,381,122</u>	<u>31,010,296</u>
<b>Liabilities</b>		
Accounts payable	\$ 2,920,660	1,871,032
Accrued expenses	4,559,371	3,616,904
Funds held for others (note 8)	742,423	557,224
Deferred revenue	4,289,727	2,789,220
Mortgage notes payable (note 4)	5,399,167	5,709,167
Liability for interest rate swap (note 4)	<u>706,137</u>	<u>422,732</u>
Total liabilities	<u>18,617,485</u>	<u>14,966,279</u>
<b>Net Assets</b>		
Unrestricted	<u>16,763,637</u>	<u>16,044,017</u>
Total liabilities and net assets	<u>\$ 35,381,122</u>	<u>31,010,296</u>

See accompanying notes to consolidated financial statements.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Statements of Activities

Years ended August 31, 2009 and 2008

	<b>2009</b>	<b>2008</b>
Changes in unrestricted net assets:		
Revenues and other support:		
Federal, state, and local grants	\$ 139,151,184	124,999,389
Contract-related fees	3,792,758	3,920,265
Contributions (in-kind) (note 7)	571,876	521,229
Contributions	191,282	565,256
Interest income	118,590	250,863
Miscellaneous	304,743	495,857
Rental income (note 3)	1,642,833	1,573,515
Total unrestricted revenues and other support	145,773,266	132,326,374
Expenses:		
Child care choices	56,015,774	56,106,247
Head start	28,829,751	29,216,614
Fuel and energy assistance	22,396,493	14,315,852
Community services	4,875,912	5,135,156
Employment and training	6,867,219	4,973,079
Health services	3,662,960	3,531,860
Weatherization	6,507,671	4,196,227
Housing	2,164,991	1,909,973
Day care	4,654,233	3,713,284
Elder services	961,494	1,033,434
Other	1,848,315	1,490,147
Indirect costs	4,992,802	4,709,242
Tenant operating costs	992,626	1,191,559
Total expenses	144,770,241	131,522,674
Increase in unrestricted net assets from operations	1,003,025	803,700
Nonoperating:		
Net loss on interest rate swap agreement (note 4)	(283,405)	(302,449)
Total nonoperating	(283,405)	(302,449)
Increase in net assets	719,620	501,251
Net assets, beginning of year	16,044,017	15,542,766
Net assets, end of year	\$ 16,763,637	16,044,017

See accompanying notes to consolidated financial statements.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Statement of Functional Expenses

Year ended August 31, 2009

	<u>Child care choices</u>	<u>Head start</u>	<u>Fuel assistance</u>	<u>Community services</u>	<u>Employment and training</u>	<u>Health services</u>	<u>Weatherization</u>	<u>Housing</u>	<u>Day care</u>	<u>Elder services</u>	<u>Other</u>	<u>Total</u>	<u>Indirect costs</u>	<u>Total expenses</u>
Personnel	\$ 1,485,048	19,151,143	1,965,347	2,744,365	5,108,817	1,129,730	63,840	1,006,976	4,023,375	339,288	2,026,919	39,044,848	3,770,250	42,815,098
Consultants and contracted services	50,344	1,628,034	914,055	320,351	864,376	1,594,895	5,111,327	858,897	30,521	34,994	20,179	11,427,973	267,480	11,695,453
Payments on behalf of program participants	53,922,191	91,416	18,950,898	2,188	—	—	1,274,012	120	1,231	355,763	—	74,597,819	—	74,597,819
Travel	7,849	222,225	9,700	110,467	33,377	39,508	41,509	34,388	70,220	35,651	356,364	961,258	64,020	1,025,278
Occupancy	221,866	4,338,018	161,922	679,770	520,181	107,905	(1,142)	95,705	450,057	58,241	349,452	6,981,975	241,599	7,223,574
Consumable supplies	38,535	917,446	71,191	122,420	65,112	632,941	7,674	41,877	45,813	82,568	385,061	2,410,638	119,057	2,529,695
Rental or lease of equipment	2,592	134,894	7,222	49,567	13,640	1,231	98	617	10,491	9,423	55,401	285,176	12,177	297,353
Other costs	287,349	1,830,446	316,158	490,399	261,716	156,750	10,353	126,411	18,320	45,566	(1,345,061)	2,198,407	518,219	2,716,626
Delegate agency expenditures	—	516,129	—	356,385	—	—	—	—	4,205	—	—	876,719	—	876,719
Tenant operating costs	—	—	—	—	—	—	—	—	—	—	992,626	992,626	—	992,626
Total operating expenses	\$ <u>56,015,774</u>	<u>28,829,751</u>	<u>22,396,493</u>	<u>4,875,912</u>	<u>6,867,219</u>	<u>3,662,960</u>	<u>6,507,671</u>	<u>2,164,991</u>	<u>4,654,233</u>	<u>961,494</u>	<u>2,840,941</u>	<u>139,777,439</u>	<u>4,992,802</u>	<u>144,770,241</u>

See accompanying notes to consolidated financial statements.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Statement of Functional Expenses

Year ended August 31, 2008

	<u>Child care choices</u>	<u>Head start</u>	<u>Fuel assistance</u>	<u>Community services</u>	<u>Employment and training</u>	<u>Health services</u>	<u>Weatherization</u>	<u>Housing</u>	<u>Day care</u>	<u>Elder services</u>	<u>Other</u>	<u>Total</u>	<u>Indirect costs</u>	<u>Total expenses</u>
Personnel	\$ 1,615,618	19,377,166	1,220,091	3,018,518	3,377,648	1,110,970	350,641	1,230,096	3,223,225	348,694	1,626,521	36,499,188	3,578,014	40,077,202
Consultants and contracted services	81,895	1,692,073	1,145,744	206,196	672,045	1,587,345	2,597,817	335,364	29,422	31,425	61,162	8,440,488	183,577	8,624,065
Payments on behalf of program participants	53,781,717	70,270	11,617,071	—	—	—	1,126,941	85	413	435,383	337	67,032,217	—	67,032,217
Travel	9,385	263,913	2,578	95,937	36,998	24,176	44,791	35,415	76,330	42,330	324,757	956,610	72,440	1,029,050
Occupancy	258,206	4,277,182	89,450	675,594	397,128	110,120	28,599	87,875	320,090	43,444	274,189	6,561,877	247,551	6,809,428
Consumable supplies	54,651	757,018	35,822	127,991	136,087	553,916	8,653	27,858	41,480	88,489	601,870	2,433,835	155,493	2,589,328
Rental or lease of equipment	6,539	187,481	897	51,074	22,813	4,206	523	2,559	10,228	1,580	31,480	319,380	12,412	331,792
Other costs	298,236	1,927,898	184,404	452,818	330,360	141,127	38,262	190,721	12,096	42,089	(1,430,169)	2,187,842	459,755	2,647,597
Delegate agency expenditures	—	663,613	19,795	507,028	—	—	—	—	—	—	—	1,190,436	—	1,190,436
Tenant operating costs	—	—	—	—	—	—	—	—	—	—	1,191,559	1,191,559	—	1,191,559
Total operating expenses	\$ <u>56,106,247</u>	<u>29,216,614</u>	<u>14,315,852</u>	<u>5,135,156</u>	<u>4,973,079</u>	<u>3,531,860</u>	<u>4,196,227</u>	<u>1,909,973</u>	<u>3,713,284</u>	<u>1,033,434</u>	<u>2,681,706</u>	<u>126,813,432</u>	<u>4,709,242</u>	<u>131,522,674</u>

See accompanying notes to consolidated financial statements.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Consolidated Statements of Cash Flows

Years ended August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Increase in net assets	\$ 719,620	501,251
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,013,182	1,069,059
Loss on interest rate swap	283,405	302,449
Changes in operating assets and liabilities, excluding cash:		
Accounts receivable	(1,570,046)	6,695,355
Other assets	(19,811)	—
Accounts payable	1,414,725	(1,154,356)
Accrued expenses	577,370	(318,852)
Deferred revenue	1,500,507	(407,594)
Net cash provided by operating activities	<u>3,918,952</u>	<u>6,687,312</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	<u>(581,713)</u>	<u>(1,846,175)</u>
Net cash used in investing activities	<u>(581,713)</u>	<u>(1,846,175)</u>
Cash flows from financing activities:		
Principal payments on mortgage notes	<u>(310,000)</u>	<u>(310,000)</u>
Net cash used in financing activities	<u>(310,000)</u>	<u>(310,000)</u>
Net increase in cash and cash equivalents	3,027,239	4,531,137
Cash and cash equivalents, beginning of year	<u>5,415,200</u>	<u>884,063</u>
Cash and cash equivalents, end of year	<u>\$ 8,442,439</u>	<u>5,415,200</u>
Supplemental information:		
Interest paid	\$ 341,746	362,729
Noncash investing activity:		
Noncash acquisition of property, plant, and equipment totaled \$0 and \$63,622 in 2009 and 2008, respectively.		

See accompanying notes to consolidated financial statements.



## ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

### (1) Summary of Significant Accounting Policies

#### (a) *Basis of Consolidated Financial Statement Presentation*

The accompanying consolidated financial statements of Action for Boston Community Development, Inc. and subsidiaries (the Organization) are presented on the accrual basis of accounting and include the accounts and activity of Action for Boston Community Development, Inc. (ABCD) and the Organization's real estate operations, combining Action for Boston Community Development Real Estate Corporation, Inc. (the Corporation) and Action for Boston Community Development Properties, Inc. (Community Properties). All significant intercompany activity has been eliminated.

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

**Unrestricted net assets** – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. The Organization has only unrestricted net assets at August 31, 2009.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Promises to give that are scheduled to be received after the consolidated balance sheet date are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the purpose or time restrictions are met. Promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

ABCD's fundraising costs totaled \$67,636 and \$129,213 for the years ended August 31, 2009 and 2008, respectively.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

**(b) Operations**

The consolidated statements of activities report all changes in net assets, including changes in unrestricted net assets from operating and nonoperating transactions. Operating revenues and expenses consist of those items attributable to the Organization's ongoing service efforts.

Because the consolidated statements of cash flows are prepared in accordance with a prescribed format under generally accepted accounting principles, certain amounts included in operations as defined for purposes of the consolidated statements of activities differ from amounts reported as cash flows from operating activities.

**(c) Cash and Cash Equivalents**

For the purpose of the consolidated statements of cash flows, the Organization considers investments with maturities at date of purchase of three months or less as cash equivalents.

**(d) Property, Plant, and Equipment**

Acquisitions of property, plant, and equipment are recorded at cost. Depreciation is recorded on a straight line basis over the estimated useful lives of the assets. Repairs and maintenance costs are expensed in the period in which they are incurred.

**(e) Contract-Related Fees**

In accordance with certain grant program agreements, ABCD receives reimbursement from program participants for goods and services provided under the grants. Such reimbursement is stipulated in the grant agreements.

**(f) Indirect Costs**

ABCD charges indirect costs to programs based on a provisional indirect cost rate determined in accordance with guidelines set forth in *Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with the Department of Health and Human Services*. Specifically, ABCD uses the "Direct Allocation Method" to calculate its rate. The estimated indirect cost rate is subject to review by the U.S. Department of Health and Human Services.

**(g) Delegate Agencies**

Certain activities of ABCD, particularly within the community services and Head Start programs, are carried out by delegate agencies under contract with ABCD. Expenses incurred by delegate agencies are included as ABCD's expenses for purposes of this report.

**(h) Income Taxes**

The Organization is a not-for-profit organization as described under Internal Revenue Code (IRC) Section 501(c)(3), and the Corporation and Community Properties are not-for-profit organizations as described under Internal Revenue Code (IRC) Section 501(c)(2) and are all generally exempt from income taxes under IRC Section 501(a).

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

(i) **Deferred Revenue**

ABCD records grant funds received in advance of incurring eligible expenses as deferred revenue. Revenue is recognized once eligible expenses are incurred.

(j) **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(2) **Property, Plant, and Equipment**

At August 31, the Organization's property, plant, and equipment were composed of:

	<u>2009</u>	<u>2008</u>	<u>Estimated useful lives</u>
Land	\$ 2,065,100	2,065,100	—
Buildings and improvements	23,064,223	22,650,645	40 years
Computer equipment	1,222,192	1,222,192	3 years
Furniture and equipment	1,538,726	1,526,426	3 – 10 years
Automobiles	25,995	25,995	5 years
Leasehold improvements	<u>1,778,902</u>	<u>1,623,067</u>	Applicable lease term
	29,695,138	29,113,425	
Less accumulated depreciation	<u>(11,912,784)</u>	<u>(10,899,602)</u>	
Net property, plant, and equipment	<u>\$ 17,782,354</u>	<u>18,213,823</u>	

Depreciation expense for the years ended August 31, 2009 and 2008 was \$1,013,182 and \$1,069,059, respectively.

(3) **Leases**

ABCD leases facilities in the Greater Boston area either as a tenant at will or under leases expiring at various dates through August 31, 2014. All of the leases may be terminated if the funding agencies cease to fund ABCD. For the years ended August 31, 2009 and 2008, total rental expense amounted to \$1,173,697 and \$1,069,556, respectively, including certain real estate tax increases and operating cost adjustments under certain of its leases. Rental expense for facilities not under lease (i.e., tenants at will) amounted to \$231,205 and \$131,711 for the years ended August 31, 2009 and 2008, respectively.

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

At August 31, 2009, ABCD had the following minimum lease commitments:

	<u>Amount</u>
Year ending August 31:	
2010	\$ 1,046,643
2011	912,100
2012	721,473
2013	704,643
2014	206,452

In addition, the Corporation leases surplus space in some of its owned properties to third-party tenants, primarily other not-for-profit organizations. At August 31, 2009, the Corporation had the following minimum lease rentals:

	<u>Amount</u>
Year ending August 31:	
2010	\$ 1,678,152
2011	1,220,873
2012	865,753
2013	409,806
2014	16,880

**(4) Mortgage Note Payable**

On February 14, 2007, the Corporation entered into a mortgage agreement totaling \$6,200,000. The mortgage note payable bears interest at the 30-day London Interbank Offering Rate (LIBOR) (0.26% and 2.47% at August 31, 2009 and 2008, respectively) plus 0.70%, payable monthly. The maturity date on the mortgage note is the tenth anniversary of the closing date, February 14, 2017. The following represents the future scheduled principal payments:

	<u>Amount</u>
Year ending August 31:	
2010	\$ 310,000
2011	310,000
2012	310,000
2013	310,000
2014	310,000
Thereafter	3,849,167
	<u>\$ 5,399,167</u>

In conjunction with its issuance of variable rate debt, the Corporation entered into an interest rate swap agreement with Citizens Bank. The purpose of the agreement was to swap the variable rate on the underlying debt for a fixed rate of 6.02% for the remaining term of the loan, and not for any speculative

## ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.

### Notes to Consolidated Financial Statements

August 31, 2009 and 2008

purposes. Under Statement of Financial Accounting Standards No. 133, the instrument's fair value and changes therein must be included in the Corporation's consolidated financial statements. The value of the swap instrument, which is recorded as a liability of \$706,137 and \$422,732 at August 31, 2009 and 2008, respectively, represents the estimated cost to the Corporation to cancel the agreement at each reporting date and is based on pricing models that consider interest rates and other market factors. Interest rate volatility, remaining outstanding principal, and time to maturity will affect the swap's fair value at subsequent reporting dates. If the Corporation repays the debt on schedule, the value of the swap will reach zero at its final maturity.

#### (5) Lines of Credit

ABCD has an unsecured \$2,000,000 demand line of credit with an interest rate equal to the bank's base lending rate. The line of credit is for working capital purposes. There was no balance outstanding on the line of credit at either August 31, 2009 or 2008. The line of credit is in process of being renewed and is expected to be completed by December 31, 2009.

#### (6) Pension Plan

The Organization has a defined contribution money purchase plan (the Plan), which provides benefits for its employees. Effective January 1, 2003, eligible employees may contribute as little as \$200 per year, which the Organization will match at the rate of 180% of employee contributions up to a maximum of 9% of the employee's salary. Prior to January 1, 2003, participating employees were required to contribute a minimum of 5% of their annual salary, which was matched by the Organization's contributions of 9% of annual salary.

For the years ended August 31, 2009 and 2008, the Organization's contributions and administrative expenses under the Plan amounted to \$1,939,141 and \$1,816,534, respectively.

#### (7) Contributed Goods and Professional Services

Contributed goods and professional services represent materials and services contributed to ABCD during the years ended August 31, and used for the following purposes:

Nature	2009	2008
Program services:		
Space	\$ 431,119	396,781
Consultants	1,275	10,000
Supplies	33,788	21,156
Food	79,033	76,591
Clothes	22,521	15,791
Equipment	4,140	910
Total program services	\$ 571,876	521,229

**ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.**

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

**(8) Funds Raised for Others**

ABCD manages separate annual fundraising campaigns for employees of Region I of the federal government, for employees of the Commonwealth of Massachusetts, employees of the City of Boston, and for the employees of Keane, Inc. ABCD processes the employee pledges, receives funds deducted from employee paychecks from the employers, and disburses the appropriate amounts to the named beneficiaries as chosen by the employees. These funds are accounted for as agency funds, and do not appear as revenues and expenses in the Organization's consolidated statement of activities. The campaign for Keane, Inc. is being discontinued in fiscal year 2009.

Amounts raised and disbursed for the years ended August 31 are as follows:

	<u>2009</u>	<u>2008</u>
Funds received:		
Federal campaign	\$ 2,937,769	1,405,811
City of Boston campaign	329,227	357,599
Commonwealth of Massachusetts campaign	1,450,531	1,472,058
Keane, Inc.	—	9,877
Total	<u>\$ 4,717,527</u>	<u>3,245,345</u>
Funds disbursed to beneficiaries	\$ 4,550,443	3,152,218
Funds due to beneficiaries at August 31, 2009 and 2008	742,423	557,224

**(9) Accounts Receivable**

At August 31, the Organization's accounts receivable were composed of:

	<u>2009</u>	<u>2008</u>
Grants receivable:		
Federal	\$ 806,615	375,923
Commonwealth of Massachusetts	1,910,404	1,418,785
City of Boston	2,137,779	1,945,551
Other	1,346,568	996,221
Accounts receivable:		
Rents	540,035	495,481
Other	1,003,737	885,274
Note receivable:		
Due from South Boston Action Council, Inc. original note \$800,000, rate at 6.74%, term 15 years, last payment due October 2014.	<u>369,543</u>	<u>427,400</u>
Total	<u>\$ 8,114,681</u>	<u>6,544,635</u>

## ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.

## Consolidating Schedule of Financial Position

August 31, 2009

<b>Assets</b>	<b>ABCD</b>	<b>ABCD Real Estate Corporation, Inc.<sup>(1)</sup></b>	<b>Eliminations</b>	<b>Total</b>
Cash and cash equivalents	\$ 8,173,716	268,723	—	8,442,439
Cash held for others	742,423	—	—	742,423
Total cash and cash equivalents	8,916,139	268,723	—	9,184,862
Contracts and accounts receivable	7,203,103	911,578	—	8,114,681
Other assets	285,457	—	13,768	299,225
Property, plant, and equipment, net	615,964	17,166,390	—	17,782,354
Due from Real Estate Corp.	2,361,662	(2,347,894)	(13,768)	—
Total assets	<u>\$ 19,382,325</u>	<u>15,998,797</u>	<u>—</u>	<u>35,381,122</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable	\$ 2,753,525	167,135	—	2,920,660
Accrued expenses	4,559,371	—	—	4,559,371
Funds held for others	742,423	—	—	742,423
Deferred revenue	4,289,727	—	—	4,289,727
Mortgage notes payable	—	5,399,167	—	5,399,167
Liability for interest rate swap	—	706,137	—	706,137
Total liabilities	12,345,046	6,272,439	—	18,617,485
Net assets:				
Unrestricted	7,037,279	9,726,358	—	16,763,637
Total liabilities and net assets	<u>\$ 19,382,325</u>	<u>15,998,797</u>	<u>—</u>	<u>35,381,122</u>

<sup>(1)</sup> Includes ABCD Real Estate Corporation, Inc. and ABCD Properties, Inc.

See accompanying independent auditors' report.

## ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC.

## Consolidating Schedule of Activities

Year ended August 31, 2009

	ABCD	ABCD Real Estate Corporation, Inc. <sup>(1)</sup>	Eliminations	Total
Changes in unrestricted net assets:				
Revenues and other support:				
Federal, state, and local grants	\$ 139,151,184	—	—	139,151,184
Contract-related fees	3,792,758	—	—	3,792,758
Contributions (in-kind)	571,876	—	—	571,876
Contributions – unrestricted	191,282	—	—	191,282
Interest income	88,553	30,037	—	118,590
Miscellaneous	304,743	—	—	304,743
Rental income	—	4,500,114	(2,857,281)	1,642,833
	<u>144,100,396</u>	<u>4,530,151</u>	<u>(2,857,281)</u>	<u>145,773,266</u>
Total unrestricted revenues and other support				
Expenses:				
Child care choices	56,015,774	—	—	56,015,774
Head start	28,829,751	—	—	28,829,751
Fuel assistance	22,396,493	—	—	22,396,493
Community services	4,875,912	—	—	4,875,912
Employment and training	6,867,219	—	—	6,867,219
Health services	3,662,960	—	—	3,662,960
Weatherization	6,507,671	—	—	6,507,671
Housing	2,164,991	—	—	2,164,991
Day care	4,654,233	—	—	4,654,233
Elder services	961,494	—	—	961,494
Indirect costs	4,992,802	—	—	4,992,802
Other	1,848,315	—	—	1,848,315
Tenant operating costs	—	3,849,907	(2,857,281)	992,626
	<u>143,777,615</u>	<u>3,849,907</u>	<u>(2,857,281)</u>	<u>144,770,241</u>
Total expenses				
Increase in unrestricted net assets from operations				
	322,781	680,244	—	1,003,025
Nonoperating:				
Net loss on interest rate swap agreement	—	(283,405)	—	(283,405)
Increase in net assets				
	322,781	396,839	—	719,620
Net assets, beginning of year	<u>6,714,498</u>	<u>9,329,519</u>	<u>—</u>	<u>16,044,017</u>
Net assets, end of year	<u>\$ 7,037,279</u>	<u>9,726,358</u>	<u>—</u>	<u>16,763,637</u>

<sup>(1)</sup> Includes ABCD Real Estate Corporation, Inc. and ABCD Properties, Inc.

See accompanying independent auditors' report.