

OPERATION A.B.L.E. OF GREATER BOSTON, INC.

Financial Statements  
June 30, 2010  
(With Comparative Totals for 2009)

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

FINANCIAL STATEMENTS  
JUNE 30, 2010  
(WITH COMPARATIVE TOTALS FOR 2009)

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To the Board of Directors of  
Operation A.B.L.E. of Greater Boston, Inc.  
Boston, Massachusetts

Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards Issued in a Single Audit

We have audited the accompanying statement of financial position of Operation A.B.L.E. of Greater Boston, Inc. as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 Operation A.B.L.E. of Greater Boston, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report September 8, 2010, on our consideration of Operation A.B.L.E. of Greater Boston, 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 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 audit was conducted for the purpose of forming an opinion on the financial statements of Operation A.B.L.E. of Greater Boston, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Sandberg, Gonzalez & Creeden P.C.*

SANDBERG, GONZALEZ & CREEDEN, P.C.  
Certified Public Accountants

Stoughton, Massachusetts  
September 8, 2010

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2010  
 (WITH COMPARATIVE TOTALS FOR 2009)

**ASSETS**

	<u>2010</u>	<u>2009</u>
<b><u>Current Assets</u></b>		
Cash	\$ 5,599	\$ 109,407
Investments	396,148	463,931
Government grants receivable	193,932	157,479
Accounts receivable	2,121	807
Contributions and special events receivable	60,400	111,500
Prepaid expenses	<u>9,244</u>	<u>8,415</u>
Total current assets	667,444	851,539
 <b><u>Fixed Assets</u></b>		
Equipment	76,599	68,392
Less accumulated depreciation	<u>58,089</u>	<u>38,364</u>
Total fixed assets	18,510	30,028
 <b><u>Other Assets</u></b>		
Rental security deposit	<u>14,073</u>	<u>14,073</u>
Total other assets	<u>14,073</u>	<u>14,073</u>
 <b><u>Total Assets</u></b>	<u>\$ 700,027</u>	<u>\$ 895,640</u>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities</u></b>		
Accounts payable	\$ 87,279	\$ 151,762
Accrued expenses	26,938	12,438
Accrued and withheld payroll and taxes	18,632	131,194
Accrued vacation	33,167	23,070
Service fee advances	<u>11,891</u>	<u>23,733</u>
Total current liabilities	177,907	342,197
 <b><u>Net Assets</u></b>		
Unrestricted	314,004	314,824
Temporarily restricted	<u>208,116</u>	<u>238,619</u>
Total net assets	<u>522,120</u>	<u>553,443</u>
 <b><u>Total Liabilities and Net Assets</u></b>	<u>\$ 700,027</u>	<u>\$ 895,640</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(WITH COMPARATIVE TOTALS FOR 2009)

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
<b><u>Support and Revenue</u></b>				
Contributions				
Grants	\$ 87,730	\$ 120,700	208,430	\$ 217,230
In-kind services	238,940		238,940	480,710
Special events	198,270	20,400	218,670	159,140
Less: costs of direct benefits to donors	<u>(33,839)</u>		<u>(33,839)</u>	<u>(37,419)</u>
Total contributions and net revenues from special events	491,101	141,100	632,201	819,661
Net assets released from restriction	172,268	(172,268)		
Service fees:				
Contracts	1,728,931		1,728,931	3,278,118
Other services fees	102,665		102,665	128,955
Interest and dividends	7,541	594	8,135	11,600
Realized and unrealized gains (loss) on investments	<u>43,142</u>	<u>71</u>	<u>43,213</u>	<u>(100,913)</u>
<b><u>Total Support and Revenue</u></b>	2,545,648	(30,503)	2,515,145	4,137,421
<b><u>Program Expenses</u></b>				
Training services	1,955,743		1,955,743	3,697,920
Employment services	<u>50,192</u>		<u>50,192</u>	<u>46,583</u>
Total program services	2,005,935		2,005,935	3,744,503
<b><u>Support Services</u></b>				
General and administrative	284,527		284,527	345,982
Fundraising	<u>256,006</u>		<u>256,006</u>	<u>169,260</u>
Total support services	<u>540,533</u>		<u>540,533</u>	<u>515,242</u>
<b><u>Total Expenses</u></b>	<u>2,546,468</u>		<u>2,546,468</u>	<u>4,259,745</u>
<b><u>Change in Net Assets</u></b>	(820)	(30,503)	(31,323)	(122,324)
<b><u>Net Assets - Beginning of Year</u></b>	<u>314,824</u>	<u>238,619</u>	<u>553,443</u>	<u>675,767</u>
<b><u>Net Assets - End of Year</u></b>	<u>\$ 314,004</u>	<u>\$ 208,116</u>	<u>\$ 522,120</u>	<u>\$ 553,443</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

	2010				2009			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Training Services	Employment Services	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total	Total
Salaries								
Staff	\$ 332,118	\$ 30,029	\$ 362,147	\$ 181,002	\$ 156,731	\$ 337,733	\$ 699,880	\$ 854,823
Program participants	1,030,103		1,030,103				1,030,103	2,172,065
Payroll taxes	124,319	2,856	127,175	17,970	16,114	34,084	161,259	274,981
Benefits	44,367	4,009	48,376	21,015	17,120	38,135	86,511	106,069
Total salaries and related expenses	<u>1,530,907</u>	<u>36,894</u>	<u>1,567,801</u>	<u>219,987</u>	<u>189,965</u>	<u>409,952</u>	<u>1,977,753</u>	<u>3,407,938</u>
Advertising	696	211	907	275	60	335	1,242	1,899
Bank charges	343	403	746	358	1,269	1,627	2,373	1,370
Consultants	51,870	195	52,065		28,500	28,500	80,565	71,160
Depreciation	16,490	544	17,034	1,798	893	2,691	19,725	20,754
Dues and subscriptions	150		150	1,425	1,360	2,785	2,935	7,137
In kind services	238,940		238,940				238,940	480,710
Insurance	4,748	166	4,914	412	452	864	5,778	5,848
Meeting expense	1,420	2,720	4,140	3,175	1,368	4,543	8,683	3,906
Miscellaneous	4,903	15	4,918	839	941	1,780	6,698	6,462
Office supplies	5,270	257	5,527	1,671	4,268	5,939	11,466	13,363
Payroll processing fees	7,755	26	7,781	118	104	222	8,003	13,482
Postage	2,996	658	3,654	1,977	5,181	7,158	10,812	16,196
Printing				3,256	9,032	12,288	12,288	18,406
Professional fees				12,501		12,501	12,501	43,069
Occupancy	77,904	2,070	79,974	32,294	9,820	42,114	122,088	121,535
Repairs and maintenance	3,717	381	4,098	1,960	596	2,556	6,654	6,985
Telephone	2,390	210	2,600	2,113	733	2,846	5,446	6,707
Travel	5,244	42	5,286	368	1,464	1,832	7,118	7,268
Website design and maintenance		5,400	5,400				5,400	5,550
Total	<u>\$ 1,955,743</u>	<u>\$ 50,192</u>	<u>\$ 2,005,935</u>	<u>\$ 284,527</u>	<u>\$ 256,006</u>	<u>\$ 540,533</u>	<u>\$ 2,546,468</u>	<u>\$ 4,259,745</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010  
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>2010</u>	<u>2009</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ (31,323)	\$ (122,324)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,725	20,754
Unrealized (gains)/losses on investments	(58,169)	100,913
(Increase) Decrease in:		
Government grants receivable	(36,453)	(744)
Accounts receivable	(1,314)	2,677
Contributions and special events receivable	51,100	(67,750)
Prepaid expenses	(829)	3,040
Increase (Decrease) in:		
Accounts payable	(64,483)	87,556
Accrued expenses	14,500	(748)
Accrued and withheld payroll and taxes	(112,562)	24,442
Accrued vacation	10,097	(4,481)
Service fee advances	<u>(11,842)</u>	<u>8,299</u>
<b><u>Net Cash Provided (Used) by Operating Activities</u></b>	<u>(221,553)</u>	<u>51,634</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchases of equipment	(8,207)	
Proceeds from investment maturities and redemptions	401,665	15,484
Purchases of investments	<u>(275,713)</u>	<u>(11,600)</u>
<b><u>Net Cash Provided by Investing Activities</u></b>	<u>117,745</u>	<u>3,884</u>
<b><u>Cash Flows From Financing Activities</u></b>	<u>0</u>	<u>0</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>	(103,808)	55,518
<b><u>Cash and Cash Equivalents - Beginning of Year</u></b>	<u>109,407</u>	<u>53,889</u>
<b><u>Cash and Cash Equivalents - End of Year</u></b>	<u>\$ 5,599</u>	<u>\$ 109,407</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid	\$ <u>0</u>	\$ <u>0</u>
Disposal of fully depreciated fixed assets	\$ <u>0</u>	\$ <u>5,241</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.



## OPERATION A.B.L.E. OF GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

### Note 1. Organization

Operation A.B.L.E. of Greater Boston, Inc. (the Organization) is a private, not-for-profit Organization incorporated in 1982 in Boston. The mission of Operation A.B.L.E. of Greater Boston, Inc. is to provide employment and training services to mature workers 45 and older from economically, racially and occupationally diverse backgrounds. Operation A.B.L.E. of Greater Boston, Inc. has served well over 30,000 job seekers 45 and older since its inception in 1982.

Operation A.B.L.E. of Greater Boston, Inc. receives federal, state and city contracts for training and employment services. Operation A.B.L.E. of Greater Boston, Inc. is a sub-grantee of the only Department of Labor program for older workers called the **Senior Community Service Employment Program (SCSEP)**. Operation A.B.L.E. of Greater Boston, Inc. is a sub-grantee of the Commonwealth of Massachusetts to deliver this creative program which allows low-income individuals 55 and older with multiple barriers to employment, an opportunity for on-the-job training at a not-for-profit or government organization. Participants receive a stipend while performing community service at their training site. The ultimate goal of this program is for participants to transition to unsubsidized employment.

Other training programs that Operation A.B.L.E. of Greater Boston, Inc. offers include: **Skills2Work**, a 12-week computer and customer service program with intensive job search assistance, a 6-week internship and an option of learning QuickBooks or Medical Terminology and **Weatherization and Energy Auditing Training (WEAT)**, a 12-week green jobs program with a hands-on 2-week internship. In addition, Operation A.B.L.E. of Greater Boston, Inc. runs a program for Quincy Housing Authority residents called **Operation EmployABLE**, a 16-week computer and office skills training program.

Operation A.B.L.E. of Greater Boston, Inc. provides a number of resources to enable mature job seekers to connect with employers including a free website with job listings for mature workers ([www.operationable.net](http://www.operationable.net)), computer stations which can be used for job searching and computer software testing, coaching and counseling, job referrals, individual computer classes, job clubs, job fairs and showcases.

In addition, Operation A.B.L.E. of Greater Boston, Inc. has tapped into the world of civic engagement for retirees by being awarded a grant to place 45 seniors in non-profit opportunities that match their interests and expertise with the organizations' needs. This will launch a whole new division of Operation A.B.L.E. of Greater Boston, Inc. called Operation A.B.L.E. Volunteer Services. This program will begin in FY2011.

### Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

Operation A.B.L.E. of Greater Boston, Inc. follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants "Audit and Accounting Guide Not-for-Profit Organizations".

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Operation A.B.L.E. of Greater Boston, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

OPERATION A.B.L.E. OF GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 2. Summary of Significant Accounting Policies** (Continued)

b. Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of 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: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2010 and 2009, and accordingly, these financials do not reflect any activity related to this class of net assets for 2010 and 2009.

c. Property, Equipment and Depreciation

Purchased furniture and equipment are stated at cost, while donated property and equipment are recorded at their fair market value at the date of the gift. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is provided on the straight-line method, over the following estimated useful lives:

Computer equipment	3 years
Software	3 years
Other equipment	5 years

d. Allocation of Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are directly identifiable as administrative or are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

OPERATION A.B.L.E. OF GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 2. Summary of Significant Accounting Policies** (Continued)

- e. Use of Estimates  
The presentation 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.
- f. Cash and Cash Equivalents  
For purposes of the statements of cash flows, Operation A.B.L.E. of Greater Boston, Inc. considers all highly liquid investments to be cash or cash equivalents.
- g. Special Events  
Financial activity relating to special events is reported in the statement of activities as gross receipts net of costs that provide a direct benefit to donors. Event costs that do not provide a direct benefit to donors are reported as fundraising expenses in the statement of activities.
- h. Restricted and Unrestricted Revenue and Support  
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as an unrestricted contribution.
- i. Donated Services and Facilities  
Donated services are recognized as contributions in accordance with SFAS No. 116 *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased. The Organization received \$238,940 of donated services for the year ended June 30, 2010. This amount represents the value of the supervision of the program participants provided by a number of host agencies. Such services are an integral part of the program.

Other donated services not included in this report as they do not meet the criteria for recognition of SFAS No. 116, include a substantial number of volunteers who have donated significant amounts of time on Operation A.B.L.E. of Greater Boston, Inc.'s behalf, speakers sharing interviewing techniques, internship opportunities, and job fair participants.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 2. Summary of Significant Accounting Policies** (Continued)

- j. Contracts  
Financial awards from state and federal governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.
  
- k. Promises to Give  
Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or as expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.
  
- l. Investments  
Investments are recorded at fair market value and the resulting changes in market value are included in the statement of activities as unrealized gains (losses). Gains and losses on the disposition of mutual fund equity investments are computed under the average cost method.

The Organization's Board of Directors authorizes all modifications of investment policies to improve investment return. Currently, unrestricted endowment designated funds and temporarily restricted funds are invested in various money market, debt and equity mutual funds. A common pool is maintained for the investment of these funds. Any unrestricted funds that are not endowment designated which may be temporarily available for investment purposes are invested in money market securities.

**Note 3. Tax Status**

Operation A.B.L. E. of Greater Boston, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. 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) (1).

Unrelated business income, of which the Organization had none for the year ending June 30, 2010, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 4. Investments**

The Organization maintains its investment accounts at various financial institutions. The investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held. Investments accounted for 57% of the Organization's total asset base at June 30, 2010. The investments are allocated among various cash, debt and equity mutual funds and are carried at quoted market values as summarized below:

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Money market investments	\$ 48,618	\$ 48,618	\$ 67,497	\$ 67,497
Debt and equity funds	346,530	400,128	395,434	507,190
Other	1,000	1,000	1,000	1,000
	\$ 396,148	\$ 449,746	\$ 463,931	\$ 575,687

Investment Income consists of the following:

Interest and dividends	\$ 8,135	\$ 11,600
Unrealized gains (losses) on investments	58,169	(100,913)
Realized (losses) on investments	(14,956)	0
Total investment return	\$ 51,348	\$ (89,313)

**Note 5. Service Fee Advances**

Service fee advances consist of the following:

	2010	2009
Tuition payments	\$ 11,891	\$ 23,733

**Note 6. Board Designated Endowment Fund**

The Organization has a board designated endowment fund. The purpose of the fund is to assist in ensuring the long-term viability of the Organization. The fund balance totaled \$388,701 and \$501,768 at June 30, 2010 and June 30, 2009, respectively.

All revenues generated from the investment of these funds are reinvested to enhance the fund value. Additions to the fund from reinvested revenues totaled \$7,530 and \$10,875 in the years ended June 30, 2010 and June 30, 2009, respectively. All transfers from the fund must be authorized by the Board of Directors. Transfers from the fund for operating purposes totaled \$105,569 and \$15,000 in the years ended June 30, 2010 and June 30, 2009, respectively.

OPERATION A.B.L.E. OF GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 7. Temporarily Restricted Net Assets**

At June 30, 2010, temporarily restricted net assets consisted of the following:

Restricted for computer and office skills training programs	\$	59,609
Restricted for equipment purchases		34,028
Contribution and special event receivable		60,400
Restricted for increasing development capacity		12,469
Restricted for scholarships to training programs		41,610
Total temporarily restricted net assets	\$	<u>208,116</u>

**Note 8. Benefit Plans**

The Organization sponsors a 403(b) plan that covers all full-time employees with at least one year of employment. The Organization contributes a matching contribution up to 4% of their salary. Employer contributions for the year ended June 30, 2010 and 2009 total \$16,043 and \$14,089, respectively.

**Note 9. Concentrations of Credit Risk**

The Organization maintains its cash balances in various financial institutions. Non-interest bearing cash accounts have unlimited coverage. Bank accounts that make in excess of .5% are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2010, all cash balances were insured in full. In addition, as discussed in Note 4, a significant portion of the Organization's funds are invested in uninsured money markets and securities with a total market value of \$396,148.

Credit risk with respect to receivables is considered low as a significant portion are from governmental entities and well established organizations.

**Note 10. Significant Support**

The Organization received significant support in the form of service fees from the following:

Commonwealth of Massachusetts	
Office of Elder Affairs	<u>\$ 1,382,686</u>
% of total support and revenue	<u>54%</u>

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

(Continued)

**Note 11. Leases**

In February 2003, the Organization entered into a five year lease agreement for its main office facility. In connection with that agreement, a refundable security deposit of \$14,073 was made at lease inception date. The lease was amended October 25, 2007 and extended the lease term to expire January 31, 2013. Included in occupancy expenses for the year ended June 30, 2010 is \$92,884 of lease related costs. As of June 30, 2010, future minimum lease payments under the Organization's operating lease are as follows:

2011	\$92,884
2012	92,884
2013	54,182

**Note 12. Related Party Transactions**

As of June 30, 2010, three board members are employed at companies that do business with the Organization. For two members, their positions are separate from any activities involving the agency. One member has provided legal services to the Organization at a rate approved by the board of directors.

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>CFDA Number</u>	<u>Document Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Labor</u></b>				
<u>Pass Through Commonwealth of Massachusetts Office Of Elder Affairs</u>				
Senior Community Service Employment Program	17.235	SCSEP00002005OPERATI 17.235-ARRA	1,405,869	1,125,515 257,171
<u>Pass Through South Coastal Career Development Administration</u>				
WIA Dislocated Worker	17.260		5,000	875
WIA Dislocated Worker	17.260-ARRA		4,800	<u>4,800</u>
			Subtotal	5,675
<u>Pass Through Economic Development and Industrial Corporation (EDIC)</u>				
WIA Adult Program	17.258		13,950	11,325
WIA Adult Program	17.258-ARRA		53,750	49,247
WIA Dislocated Worker	17.260		39,600	27,225
WIA Dislocated Worker	17.260-ARRA		42,300	<u>38,736</u>
			Subtotal	126,533
<u>Pass Through Metro South/West Employment &amp; Training Administration</u>				
VWIP	17.258	VWIP	19,700	16,228
<u>Pass Through North Shore Workforce Investment Board</u>				
WIA Dislocated Worker	17.260		3,000	3,000
<u>Pass Through Metro North Regional Board</u>				
WIA Dislocated Worker	17.260		3,950	<u>3,950</u>
<b><u>Total U.S. Department of Labor</u></b>				<u>1,538,072</u>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>				
<u>Pass Through Commonwealth of Massachusetts Department and Housing Community Development Publications and Research to Quincy Housing Authority</u>				
Opportunity and Support Services	14.877		100,000	<u>100,000</u>
<b><u>Total U.S. Department of Housing and Urban Development</u></b>				<u>100,000</u>
<b><u>U.S. Department of Agriculture</u></b>				
Food Stamp Employment and Training Program	10.561			<u>70,638</u>
<b><u>Total U.S. Department of Agriculture</u></b>				<u>70,638</u>
<b><u>Total Expenditures of Federal Awards</u></b>				<u>\$ 1,708,710</u>





**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

(Continued)

Total Federal Funds by CFDA:

<u>CFDA</u>	<u>Total</u>
10.561	\$ 70,638
14.877	100,000
17.235	1,382,686
17.258	76,800
17.260	78,586
	<u>\$ 1,708,710</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.

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To the Board of Directors  
Operation A.B.L.E. of Greater Boston, Inc.  
Boston, Massachusetts

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

We have audited the financial statements of Operation A.B.L.E. of Greater Boston, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated September 8, 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 Operation A.B.L.E. of Greater Boston, 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 Operation A.B.L.E. of Greater Boston, 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 combination of deficiencies in internal control such 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 Operation A.B.L.E. of Greater Boston, 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 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, and the federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Sandberg, Gonzalez & Creeden P.C.*  
SANDBERG, GONZALEZ & CREEDEN, P.C.  
Certified Public Accountants

Stoughton, Massachusetts  
September 8, 2010

To the Board of Directors  
Operation A.B.L.E. of Greater Boston, Inc.  
Boston, Massachusetts

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Operation A.B.L.E. of Greater Boston, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Operation A.B.L.E. of Greater Boston, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Operation A.B.L.E. of Greater Boston, Inc.'s management. Our responsibility is to express an opinion on Operation A.B.L.E. of Greater Boston, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about Operation A.B.L.E. of Greater Boston, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Operation A.B.L.E. of Greater Boston, Inc.'s compliance with those requirements.

In our opinion, Operation A.B.L.E. of Greater Boston, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Operation A.B.L.E. of Greater Boston, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal programs. In planning and performing our audit, we considered Operation A.B.L.E. of Greater Boston, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Operation A.B.L.E. of Greater Boston, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the management, board of directors, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Sandberg, Gonzalez & Creeden P.C.*  
SANDBERG, GONZALEZ & CREEDEN, P.C.  
Certified Public Accountants

Stoughton, Massachusetts  
September 8, 2010

**OPERATION A.B.L.E. OF GREATER BOSTON, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2010**

**SUMMARY OF AUDITORS' RESULTS**

1. The Auditors' report expresses an unqualified opinion on the financial statements of Operation A.B.L.E. of Greater Boston, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Operation A.B.L.E. of Greater Boston, Inc. were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Operation A.B.L.E. of Greater Boston, Inc. expresses an unqualified opinion.
6. Not applicable.
7. The programs tested as major programs include:

Senior Community Service Program	17.235
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8. The threshold used for distinguishing Type A and B programs was \$300,000.
9. Operation A.B.L.E. of Greater Boston, Inc. qualified as a low-risk auditee.

**FINDINGS - COMBINED FINANCIAL STATEMENT AUDIT**

NONE

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE