

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

Financial Statements
June 30, 2012
(With Comparative Totals for 2011)



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

*331 Page Street
Stoughton, MA 02072*

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

FINANCIAL STATEMENTS
JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

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

Independent Auditor's Report on the Financial Statement and on the Supplementary Schedule
of Expenditures of Federal Awards

We have audited the accompanying statement of financial position of Operation A.B.L.E. of Greater Boston, Inc. as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Operation A.B.L.E. of Greater Boston, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Operation A.B.L.E. of Greater Boston, Inc.'s 2011 financial statements and, in our report dated September 22, 2011, we expressed an unqualified opinion on those financial statements.

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, 2012, 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 dated September 18, 2012, 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 18, 2012



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

STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2012
 (WITH COMPARATIVE TOTALS FOR 2011)

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
Cash	\$ 38,290	\$ 86,402
Investments	449,410	504,204
Government grants receivable	115,754	124,294
Accounts receivable	15,245	
Contributions and special events receivable	150,950	49,100
Prepaid expenses	<u>10,317</u>	<u>9,759</u>
Total current assets	779,966	773,759
 <u>Fixed Assets</u>		
Equipment	192,858	166,328
Less accumulated depreciation	<u>114,832</u>	<u>79,057</u>
Total fixed assets	78,026	87,271
 <u>Other Assets</u>		
Rental security deposit	<u>14,073</u>	<u>14,073</u>
Total other assets	14,073	14,073
 <u>Total Assets</u>	<u>\$ 872,065</u>	<u>\$ 875,103</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 87,021	\$ 100,367
Accrued expenses	13,314	12,645
Accrued and withheld payroll and taxes	27,159	14,539
Accrued vacation	7,033	22,766
Service fee advances	<u>20,375</u>	<u>10,840</u>
Total current liabilities	154,902	161,157
 <u>Net Assets</u>		
Unrestricted	415,883	496,397
Temporarily restricted	<u>301,280</u>	<u>217,549</u>
Total net assets	717,163	713,946
 <u>Total Liabilities and Net Assets</u>	<u>\$ 872,065</u>	<u>\$ 875,103</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, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions				
Grants	\$ 86,999	\$ 230,000	\$ 316,999	\$ 307,050
In-kind contributions	171,035		171,035	347,689
Special events	298,545	50,950	349,495	270,292
Less: costs of direct benefits to donors	<u>(58,020)</u>	<u> </u>	<u>(58,020)</u>	<u>(43,000)</u>
Total contributions and net revenues from special events	498,559	280,950	779,509	882,031
Net assets released from restriction	197,942	(197,942)		
Service fees:				
Contracts	1,453,990		1,453,990	1,817,192
Other services fees	28,084		28,084	37,647
Interest and dividends	4,700	711	5,411	5,336
Realized and unrealized gains on investments	<u>4,789</u>	<u>12</u>	<u>4,801</u>	<u>62,720</u>
<u>Total Support and Revenue</u>	2,188,064	83,731	2,271,795	2,804,926
<u>Program Expenses</u>				
Training services	1,606,182		1,606,182	2,046,426
Employment services	<u>113,398</u>	<u> </u>	<u>113,398</u>	<u>61,842</u>
Total program services	1,719,580		1,719,580	2,108,268
<u>Support Services</u>				
General and administrative	353,499		353,499	324,213
Fundraising	<u>195,499</u>	<u> </u>	<u>195,499</u>	<u>180,619</u>
Total support services	<u>548,998</u>	<u> </u>	<u>548,998</u>	<u>504,832</u>
<u>Total Expenses</u>	<u>2,268,578</u>	<u> </u>	<u>2,268,578</u>	<u>2,613,100</u>
<u>Change in Net Assets</u>	(80,514)	83,731	3,217	191,826
<u>Net Assets - Beginning of Year</u>	<u>496,397</u>	<u>217,549</u>	<u>713,946</u>	<u>522,120</u>
<u>Net Assets - End of Year</u>	<u>\$ 415,883</u>	<u>\$ 301,280</u>	<u>\$ 717,163</u>	<u>\$ 713,946</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, 2012
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	2012						2011	
	Program Services			Supporting Services			Total	Total
	Training Services	Employment Services	Total Program Services	General and Administrative	Fundraising	Support Services		
Salaries Staff	\$ 330,574	\$ 68,249	\$ 398,823	\$ 222,295	\$ 87,939	\$ 310,234	\$ 709,057	\$ 667,948
Program participants	791,087	791,087	791,087	23,821	8,200	32,021	791,087	1,081,827
Payroll taxes	100,282	7,556	107,838	29,814	14,073	43,887	139,859	157,989
Benefits	48,688	10,470	59,158	275,930	110,212	386,142	103,045	91,228
Total salaries and related expenses	<u>1,270,631</u>	<u>86,275</u>	<u>1,356,906</u>				<u>1,743,048</u>	<u>1,998,992</u>
Advertising	896	221	1,117	719	657	1,376	1,117	2,514
Bank charges	120	650	770	461	1,823	2,284	3,054	3,428
Consultants	14,275	6,044	20,319	20,812	41,764	62,576	82,895	86,377
Depreciation	24,018	3,168	27,186	4,870	3,719	8,589	35,775	20,968
Dues and subscriptions	732	314	1,046	3,394	1,125	4,519	5,565	5,909
In kind services	171,035		171,035				171,035	262,459
Insurance	4,367	433	4,800				6,176	5,824
Meeting expense	794	2,386	3,180				3,180	2,512
Miscellaneous	6,148	100	6,248	3,141	490	3,631	9,879	7,959
Office supplies	8,919	1,025	9,944	1,892	5,965	7,857	17,801	12,388
Payroll processing fees	5,960	114	6,074	95	58	153	6,227	7,499
Postage	3,097	20	3,117	2,703	6,511	9,214	12,331	11,542
Printing		307	307	9,732	14,988	24,720	25,027	23,586
Professional fees				12,500		12,500	12,500	12,501
Occupancy	86,952	6,221	93,173	13,179	7,564	20,743	113,916	123,537
Repairs and maintenance	289	36	325		44	44	369	4,678
Telephone	2,693	623	3,316	3,036	361	3,397	6,713	6,034
Travel	5,256	61	5,317	1,035	218	1,253	6,570	8,993
Website design and maintenance		5,400	5,400				5,400	5,400
Total	<u>\$ 1,606,182</u>	<u>\$ 113,398</u>	<u>\$ 1,719,580</u>	<u>\$ 353,499</u>	<u>\$ 195,499</u>	<u>\$ 548,998</u>	<u>\$ 2,268,578</u>	<u>\$ 2,613,100</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, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

	<u>2012</u>	<u>2011</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 3,217	\$ 191,826
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,775	20,968
Unrealized (gains)/losses on investments	(3,535)	(68,390)
(Increase) Decrease in:		
Government grants receivable	8,540	69,638
Accounts receivable	(15,245)	2,121
Contributions and special events receivable	(101,850)	11,300
Prepaid expenses	(558)	(515)
Increase (Decrease) in:		
Accounts payable	(13,346)	13,088
Accrued expenses	669	(14,293)
Accrued and withheld payroll and taxes	12,620	(4,093)
Accrued vacation	(15,733)	(10,401)
Services fee advances	9,535	(1,051)
	<u>(79,911)</u>	<u>210,198</u>
<u>Net Cash Provided (Used) by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Purchases of equipment	(26,530)	(89,729)
Proceeds from investment maturities and redemptions	277,535	433,640
Purchases of investments	(219,206)	(473,306)
	<u>31,799</u>	<u>(129,395)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>		
<u>Cash Flows From Financing Activities</u>	<u>0</u>	<u>0</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	(48,112)	80,803
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>86,402</u>	<u>5,599</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 38,290</u>	<u>\$ 86,402</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 0</u>	<u>\$ 0</u>
Disposal of fully depreciated fixed assets	<u>\$ 0</u>	<u>\$ 0</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, 2012

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. It is a recognized adult training and employment center in Massachusetts and receives federal, state and city contracts for training and employment services. In addition, Operation A.B.L.E. receives United Way, corporate and foundation contributions, individual donations and raises considerable operating support from its annual *Starfish Thrower Gala*. This year, Operation A.B.L.E. celebrated its 30th anniversary of getting job seekers 45+ back to work.

Operation A.B.L.E. of Greater Boston, Inc. is a sub-grantee of the Commonwealth of Massachusetts to deliver the Department of Labor's **Senior Community Service Employment Program (SCSEP)** which allows low-income individuals 55 and older, an opportunity for on-the-job training at a not-for-profit or government agency. 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. Operation A.B.L.E. has surpassed its placement goals for the past three years, despite the recession. In the eight years that Operation A.B.L.E. has implemented the program, it has assisted 2,658 severely economically-disadvantaged MA residents 55+ find paid internships and unsubsidized work through this program.

All of Operation A.B.L.E.'s training programs have been relicensed by the Department of Education and include: **ABLE Beginnings**, a 6-week introduction to computer and internet navigation skills; **Skills2Work**, a 12-week computer and customer service program; and **Weatherization and Energy Auditing Training (WEAT)**, a 14-week program focusing on green and renewable energy and weatherization-related jobs. 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. was also awarded funding to launch a program called **ABLE Volunteers** that places seniors in non-profit opportunities that match their interests and expertise with the organizations' needs. Operation A.B.L.E. provided 72 retirees with meaningful volunteer assignments that strategically matched the skills and interests of the volunteers with the needs of 41 non-profit organizations.

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), 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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- 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".
- b. Financial Statement Presentation
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*.

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.

- c. 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 not to be cash or cash equivalents.
- d. 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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

d. Investments (Continued)

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.

e. 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

f. 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.

g. 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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

h. 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 \$171,035 and \$262,459 of donated services for the years ended June 30, 2012 and 2011, respectively. 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. The Organization received donated software with a fair market value of \$85,230 for the year ended June 30, 2011. In kind contributions totaled \$171,035 and \$347,689 for 2012 and 2011, respectively.

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.

i. 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.

j. 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.

k. 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.

l. 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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

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 ended June 30, 2012, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Note 4. Concentrations of Credit Risk

The Organization maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2012, all cash balances were insured in full. In addition, as discussed in Note 5, a significant portion of the Organization's funds are invested in uninsured money markets and securities with a total market value of \$449,410.

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

Note 5. 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 the market prices of the various investments held. Investments accounted for 52% of the Organization's total asset base at June 30, 2012. The investments are allocated among various cash, debt and equity mutual funds and are carried at quoted market values as summarized below:

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Money market investments	\$ 136,731	\$ 136,731	\$ 201,721	\$ 201,721
Debt and equity funds	311,679	293,323	301,483	286,662
Other	1,000	1,000	1,000	1,000
	\$ 449,410	\$ 431,054	\$ 504,204	\$ 489,383

Investment Income consists of the following:

Interest and dividends	\$ 5,411	\$ 5,336
Unrealized gains on investments	3,535	68,390
Realized gains (losses) on investments	1,266	(5,670)
Total investment return	\$ 10,212	\$ 68,056



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

Note 6. Service Fee Advances

Service fee advances consist of the following:

	<u>2012</u>	<u>2011</u>
Tuition payments	\$ <u>20,375</u>	\$ <u>10,840</u>

Note 7. 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 \$393,595 and \$387,647 at June 30, 2012 and June 30, 2011, 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 \$4,695 and \$4,684 in the years ended June 30, 2012 and June 30, 2011, respectively. All transfers from the fund must be authorized by the Board of Directors. Transfers from the fund for operating purposes totaled \$25,000 and \$0 in the years ended June 30, 2012 and June 30, 2011, respectively.

Note 8. Temporarily Restricted Net Assets

At June 30, 2012, temporarily restricted net assets consisted of the following:

Restricted for computer and office skills training programs	\$ 40,066
Restricted for equipment purchases	43,582
Contribution and special event receivable	150,950
Restricted for ABLE Volunteers	10,722
Restricted for production of marketing materials	5,000
Restricted for strategic planning	2,500
Restricted for increasing development capacity	2,582
Restricted for client needs	327
Restricted for website development	2,500
Restricted for scholarships to training programs	<u>43,051</u>
Total temporarily restricted net assets	<u>\$ 301,280</u>

Note 9. Significant Support

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

Commonwealth of Massachusetts	
Office of Elder Affairs	<u>\$1,057,549</u>
% of total support and revenue	<u>48%</u>



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

(Continued)

Note 10. 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, 2012 and 2011 total \$18,639 and \$16,329, respectively.

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, 2012 is \$92,884 of lease related costs. As of June 30, 2012, future minimum lease payments under the Organization's operating lease are as follows:

2013	\$ 54,182
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Note 12. Related Party Transactions

As of June 30, 2012, four board members were employed at companies that do business with the Organization. Their positions are separate from any activities involving the agency.

Note 13. The Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 18, 2012, the date which the financial statements were available to be issued.

There was no subsequent events to be disclosed based on this evaluation.



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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>CFDA Number</u>	<u>Document Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>				
<u>Pass Through Commonwealth of Massachusetts Office Of Elder Affairs</u>				
Senior Community Service Employment Program	17.235	SCSEP00002005OPERATI	\$ 1,063,541	\$ 1,057,549
<u>Pass Through South Coastal Career Development Administration</u>				
WIA Adult Program	17.258		11,460	11,460
WIA Dislocated Worker	17.278		5,000	<u>2,500</u>
			Subtotal	13,960
<u>Pass Through Economic Development and Industrial Corporation (EDIC)</u>				
WIA Adult Program	17.258		30,000	25,000
WIA Dislocated Worker	17.278		50,000	47,500
WIA Rapid Response Set Aside	17.277		3,948	<u>3,948</u>
			Subtotal	76,448
<u>Pass Through Metro South/West Employment & Training Administration</u>				
WIA Dislocated Worker	17.260		4,800	<u>2,480</u>
			Subtotal	2,480
<u>Pass Through Metro North Regional Employment Board</u>				
WIA Adult Program	17.258		5,000	5,000
WIA Dislocated Worker	17.278		5,000	<u>5,000</u>
			Subtotal	10,000
<u>Pass Through North Shore Workforce Investment Board</u>				
WIA Adult Program	17.258		8,000	<u>5,750</u>
			Subtotal	<u>5,750</u>
<u>Total U.S. Department of Labor</u>				<u>1,166,187</u>
<u>U.S. Department of Housing & Urban Development</u>				
<u>Pass Through Quincy Housing Authority</u>				
Opportunity and Support Services	14.877		100,000	<u>100,000</u>
<u>Total U.S. Department of Housing and Urban Development</u>				<u>100,000</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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>CFDA Number</u>	<u>Document Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Food Stamp Employment and Training Program	10.561			<u>83,977</u>
<u>Total U.S. Department of Agriculture</u>				<u>83,977</u>
<u>Total Expenditures of Federal Awards</u>				<u>\$ 1,350,164</u>

<u>CFDA</u>	<u>Total</u>
10.561	\$ 83,977
14.877	100,000
17.235	1,057,549
17.258	47,210
17.260	2,480
17.277	3,948
17.278	<u>55,000</u>
	<u>\$ 1,350,164</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. (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated September 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of Operation A.B.L.E. of Greater Boston, Inc. is responsible for establishing and maintaining effective internal control over 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, others within the entity, board of directors and the federal and state awarding agency and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 18, 2012



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

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Compliance

We have audited Operation A.B.L.E. of Greater Boston, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Operation A.B.L.E. of Greater Boston, Inc.'s major federal programs for the year ended June 30, 2012. Operation A.B.L.E. of Greater Boston, Inc.'s major federal programs are identified in the summary of auditor's 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 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 of 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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 the requirements of laws, regulations, contracts, and grants applicable to 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 the requirements that could have a direct and material effect on a major federal program to determine the 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 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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. 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 management, the Board of Directors, 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.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 18, 2012



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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

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 That Could Have a Direct and Material Effect on Each Major Program and on 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 on all major federal programs.
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

