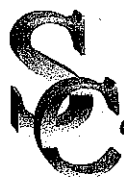


OPERATION A.B.L.E. OF GREATER BOSTON, INC.

Financial Statements
June 30, 2013
(With Comparative Totals for 2012)



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, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

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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

Report on Financial Statements

We have audited the accompanying financial statements of Operation A.B.L.E. of Greater Boston, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Operation A.B.L.E. of Greater Boston, Inc.'s internal control over financial reporting and compliance


SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 12, 2013



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

STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2013
 (WITH COMPARATIVE TOTALS FOR 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 31,737	\$ 38,290
Investments	349,940	449,410
Government grants receivable	32,340	115,754
Accounts receivable	62,472	15,245
Contributions and special events receivable	175,835	150,950
Prepaid expenses	<u>10,922</u>	<u>10,317</u>
Total current assets	663,246	779,966
 <u>Fixed Assets</u>		
Equipment	192,164	192,858
Less accumulated depreciation	<u>140,456</u>	<u>114,832</u>
Total fixed assets	51,708	78,026
 <u>Other Assets</u>		
Rental security deposit	<u>20,833</u>	<u>14,073</u>
Total other assets	<u>20,833</u>	<u>14,073</u>
 <u>Total Assets</u>	<u>\$ 735,787</u>	<u>\$ 872,065</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 68,332	\$ 87,021
Accrued expenses	44,833	13,314
Accrued and withheld payroll and taxes	31,523	27,159
Accrued vacation	8,164	7,033
Service fee advances	<u>24,910</u>	<u>20,375</u>
Total current liabilities	177,762	154,902
 <u>Net Assets</u>		
Unrestricted	212,754	415,883
Temporarily restricted	<u>345,271</u>	<u>301,280</u>
Total net assets	<u>558,025</u>	<u>717,163</u>
 <u>Total Liabilities and Net Assets</u>	<u>\$ 735,787</u>	<u>\$ 872,065</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, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions				
Grants	\$ 106,677	\$ 250,500	\$ 357,177	\$ 316,999
In-kind contributions	154,269		154,269	171,035
Special events	59,325	34,335	93,660	349,495
Less: costs of direct benefits to donors	<u>(21,172)</u>		<u>(21,172)</u>	<u>(58,020)</u>
Total contributions and net revenues from special events	299,099	284,835	583,934	779,509
Net assets released from restriction	241,708	(241,708)		
Service fees:				
Contracts	1,403,314		1,403,314	1,453,990
Other services fees	10,985		10,985	28,084
Interest and dividends	5,598	864	6,462	5,411
Realized and unrealized gains on investments	<u>44,272</u>		<u>44,272</u>	<u>4,801</u>
<u>Total Support and Revenue</u>	2,004,976	43,991	2,048,967	2,271,795
<u>Program Expenses</u>				
Training services	1,698,598		1,698,598	1,606,182
Employment services	<u>103,287</u>		<u>103,287</u>	<u>113,398</u>
Total program services	1,801,885		1,801,885	1,719,580
<u>Support Services</u>				
General and administrative	247,597		247,597	353,499
Fundraising	<u>158,623</u>		<u>158,623</u>	<u>195,499</u>
Total support services	406,220		406,220	548,998
<u>Total Expenses</u>	<u>2,208,105</u>		<u>2,208,105</u>	<u>2,268,578</u>
<u>Change in Net Assets</u>	(203,129)	43,991	(159,138)	3,217
<u>Net Assets - Beginning of Year</u>	415,883	301,280	717,163	713,946
<u>Net Assets -End of Year</u>	<u>\$ 212,754</u>	<u>\$ 345,271</u>	<u>\$ 558,025</u>	<u>\$ 717,163</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, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	2013					2012	
	Program Services			Supporting Services		Total	Total
	Training Services	Employment Services	Total Program Services	General and Administrative	Fundraising		
Salaries							
Staff	\$ 417,990	\$ 72,101	\$ 490,091	\$ 145,454	\$ 85,467	\$ 230,921	\$ 721,012
Program participants	753,093		753,093				753,093
Payroll taxes	102,528	6,313	108,841	12,734	7,483	20,217	129,058
Benefits	89,153	5,489	94,642	11,073	6,507	17,580	112,222
Total salaries and related expenses	<u>1,362,764</u>	<u>83,903</u>	<u>1,446,667</u>	<u>169,261</u>	<u>99,457</u>	<u>268,718</u>	<u>1,715,385</u>
Advertising					2,114	2,114	2,114
Bank charges				2,027		2,027	2,027
Consultants	2,750	2,520	5,270	18,290	27,756	46,046	51,316
Depreciation	31,615	1,946	33,561	3,927	2,307	6,234	39,795
Dues and subscriptions				2,193		2,193	2,193
In kind services	154,269		154,269				154,269
Insurance	5,291	326	5,617	657	386	1,043	6,660
Meeting expense	3,267	201	3,468	406	238	644	4,112
Miscellaneous	6,701	413	7,114	2,278	489	2,767	9,881
Office supplies	12,582	775	13,357	1,563	918	2,481	15,838
Payroll processing fees				6,419		6,419	6,419
Postage	6,916	426	7,342	859	505	1,364	8,706
Printing				8,367	16,248	24,615	24,615
Professional fees				17,384		17,384	17,384
Occupancy	96,396	5,935	102,331	11,973	7,035	19,008	121,339
Repairs and maintenance	6,920	425	7,345	860	503	1,363	8,708
Telephone	5,243	323	5,566	651	383	1,034	6,600
Travel	3,884	239	4,123	482	284	766	4,889
Website design and maintenance		5,855	5,855				5,855
Total	<u>\$ 1,698,598</u>	<u>\$ 103,287</u>	<u>\$ 1,801,885</u>	<u>\$ 247,597</u>	<u>\$ 158,623</u>	<u>\$ 406,220</u>	<u>\$ 2,208,105</u>
							<u>\$ 2,268,578</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, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ (159,138)	\$ 3,217
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,795	35,775
Unrealized (gains)/losses on investments	(23,599)	(3,535)
(Increase) Decrease in:		
Government grants receivable	83,414	8,540
Accounts receivable	(47,227)	(15,245)
Contributions and special events receivable	(24,885)	(101,850)
Prepaid expenses	(605)	(558)
Increase (Decrease) in:		
Accounts payable	(18,689)	(13,346)
Accrued expenses	31,519	669
Accrued and withheld payroll and taxes	4,364	12,620
Accrued vacation	1,131	(15,733)
Services fee advances	<u>4,535</u>	<u>9,535</u>
<u>Net Cash (Used) by Operating Activities</u>	<u>(109,385)</u>	<u>(79,911)</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of equipment	(13,477)	(26,530)
Proceeds from investment maturities and redemptions	416,064	277,535
Purchases of investments	<u>(292,995)</u>	<u>(219,206)</u>
<u>Net Cash Provided by Investing Activities</u>	<u>109,592</u>	<u>31,799</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from lease obligations	14,073	
Payments of lease obligations	<u>(20,833)</u>	<u>0</u>
<u>Net Cash Flows (Used) by Financing Activities</u>	<u>(6,760)</u>	<u>0</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(6,553)</u>	<u>(48,112)</u>
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>38,290</u>	<u>86,402</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 31,737</u>	<u>\$ 38,290</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, 2013

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 31,000 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. moved its headquarters to the North Station area (174 Portland Street, 5th Floor) and officially opened a **Job Center for Workers 45+** where they can offer mature job seekers all kinds of programming, retraining opportunities, coaching and counseling, a resource room where they can conduct their job search, midternships and apprenticeships, professional networking groups and job clubs and a free job posting site.

MA state legislators recognized how important a **Job Center for Workers 45+** is to the economy of the Commonwealth of MA and provided Operation A.B.L.E. with a significant grant so that they could carry on their important work. The Boston Foundation, Boston's Community Trust, gave them a three-year substantial grant to establish a Job Center and help build capacity. The Tufts Health Plan Foundation and The Clowes Fund supported *Age Works: A Volunteer and Midternship Program*, a creative venue for getting mature workers back to work. State Street Corporation gave ABLE a significant grant to support its computer and customer service training program called *Skills2Work*. Finally, ABLE was honored by the Eastern Bank Charitable Foundation for its outstanding workforce development efforts with a special award.

It is important to note that 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 four years.

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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(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*.

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards No. 117, Financial Statements for Not-for-Profit Organizations). Accordingly, the Organization reports 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, 2013

(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.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I: Quoted prices are available in active markets for identical investments as of the reporting date.

Level II: Pricing inputs are other than quoted prices in active markets of comparable investments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment.

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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- 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.
- 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 \$154,269 and \$171,035 of donated services for the years ended June 30, 2013 and 2012, 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. In kind contributions totaled \$154,269 and \$171,035 for 2013 and 2012, 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.



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

I. 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.

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, 2013, 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, 2013, 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 \$349,940.

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, 2013. The investments are allocated among various cash, debt and equity mutual funds and are carried at quoted market values as summarized below:

	2013		2012	
	Fair Value	Cost	Fair Value	Cost
Money market investments	\$ 61,948	\$ 61,948	\$ 136,731	\$ 136,731
Debt and equity funds	286,992	244,081	311,679	293,323
Other	1,000	1,000	1,000	1,000
	<u>\$ 349,940</u>	<u>\$ 307,029</u>	<u>\$ 449,410</u>	<u>\$ 431,054</u>



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 5. Investments (Continued)

Investment Income consists of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 6,462	\$ 5,411
Unrealized gains on investments	23,599	3,535
Realized gains (losses) on investments	<u>20,673</u>	<u>1,266</u>
Total investment return	<u>\$ 50,734</u>	<u>\$ 10,212</u>

Note 6. Service Fee Advances

Service fee advances consist of the following:

	<u>2013</u>	<u>2012</u>
Tuition payments	<u>\$ 24,910</u>	<u>\$ 20,375</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 \$349,940 and \$393,595 at June 30, 2013 and June 30, 2012, 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 \$5,598 and 4,695 in the years ended June 30, 2013 and June 30, 2012, respectively. All transfers from the fund must be authorized by the Board of Directors. Transfers from the fund for operating purposes totaled \$0 and \$25,000 in the years ended June 30, 2013 and June 30, 2012, respectively.

Note 8. Temporarily Restricted Net Assets

At June 30, 2013, temporarily restricted net assets consisted of the following:

	<u>2013</u>	<u>2012</u>
Restricted for computer and office skills training programs	\$ 72,590	\$ 40,066
Restricted for equipment purchases	30,104	43,582
Contribution and special event receivable	175,835	150,950
Restricted for ABLE Volunteers	13,085	10,722
Restricted for production of marketing materials	5,000	5,000
Restricted for strategic planning		2,500
Restricted for increasing development capacity	2,242	2,582
Restricted for client needs		327
Restricted for website development	2,500	2,500
Restricted for scholarships to training programs	<u>43,915</u>	<u>43,051</u>
Total temporarily restricted net assets	<u>\$ 345,271</u>	<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>\$ 1,013,882</u>
% of total support and revenue	<u>49%</u>



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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(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, 2013 and 2012 total \$19,366 and \$18,639, respectively.

Note 11. Leases

In February 2013, the Organization entered into a seven year lease agreement for its main office facility. In connection with that agreement, a refundable security deposit of \$24,833 was made at lease inception date. Included in occupancy expenses for the year ended June 30, 2013 is \$121,339 of lease related costs. As of June 30, 2013, future minimum lease payments under the Organization's operating lease are as follows:

2014	\$	129,167
2015		138,125
2016		142,500
2017		146,667
2018		146,667

Note 12. Related Party Transactions

As of June 30, 2013, 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 20, 2013, 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, 2013

	<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	\$ 1,013,882	\$ 1,013,878
<u>Pass Through South Coastal Career Development Administration</u>				
WIA Dislocated Worker	17.278		12,500	2,500
<u>Pass Through Economic Development and Industrial Corporation (EDIC)</u>				
WIA Adult Program	17.258		32,500	27,500
WIA Dislocated Worker	17.278		55,298	<u>46,578</u>
			Subtotal	<u>74,078</u>
<u>Pass Through Metro South/West Employment & Training Administration</u>				
WIA Emergency Grant	17.277		5,000	5,000
<u>Pass Through North Shore Workforce Investment Board</u>				
WIA Dislocated Worker	17.278		6,000	<u>5,250</u>
<u>Total U.S. Department of Labor</u>				<u>1,100,706</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>1,894</u>
<u>Total U.S. Department of Housing and Urban Development</u>				<u>1,894</u>
<u>U.S. Department of Agriculture</u>				
Food Stamp Employment and Training Program	10.551		68,620	<u>68,620</u>
<u>Total U.S. Department of Agriculture</u>				<u>68,620</u>
<u>U.S. Department of Veteran Affairs</u>				
Veterans Retraining Assistance Program (CRAP)	64.036		5,000	<u>5,000</u>
<u>Total U.S. Department of Veteran Affairs</u>				<u>5,000</u>
<u>Total Expenditures of Federal Awards</u>				<u>\$ 1,176,220</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, 2013**

<u>CFDA</u>	<u>Total</u>
10.551	\$ 68,620
14.877	1,894
17.235	1,013,878
17.258	27,500
17.260	46,578
17.277	5,000
17.278	7,750
64.036	5,000
	<u>\$ 1,176,220</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

Independent Auditor's 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, in accordance with the 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, the financial statements of Operation A.B.L.E. of Greater Boston, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Operation A.B.L.E. of Greater Boston, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 12, 2013



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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 for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Operation A.B.L.E. of Greater Boston, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 *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 Organization*. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Operation A.B.L.E. of Greater Boston, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Operation A.B.L.E. of Greater Boston, Inc. complied in all material respects, with the types of 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, 2013.

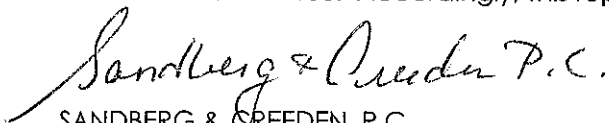
Report on Internal Control Over Compliance

Management of Operation A.B.L.E. of Greater Boston, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Operation A.B.L.E. of Greater Boston, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 12, 2013



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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

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

