

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

FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

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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, 2014, 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, 2014, 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

Our audit was performed for the purpose of forming an opinion on the basis 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 the 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 basic financial statements. The accompanying Schedules A: Organization Supplemental information and B: Program Supplemental information are presented for purposes of additional analysis as required by the Commonwealth of Massachusetts and are not a required part of the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2015, 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.

Report on Summarized Comparative Information

We have previously audited the Operation A.B.L.E. of Greater Boston's 2013 financial statements, and our report dated September 12, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
January 8, 2015

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

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

ASSETS

	<u>2014</u>	<u>2013</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 195,752	\$ 31,737
Investments	286,364	349,940
Government grants receivable	15,595	32,340
Accounts receivable	6,693	62,472
Contributions and special events receivable	114,840	175,835
Prepaid expenses	<u>20,130</u>	<u>10,922</u>
Total current assets	639,374	663,246
<u>Fixed Assets</u>		
Equipment	192,164	192,164
Less accumulated depreciation	<u>173,293</u>	<u>140,456</u>
Total fixed assets	18,871	51,708
<u>Other Assets</u>		
Rental security deposit	<u>20,833</u>	<u>20,833</u>
Total other assets	<u>20,833</u>	<u>20,833</u>
<u>Total Assets</u>	<u>\$ 679,078</u>	<u>\$ 735,787</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 45,578	\$ 68,332
Accrued expenses	11,023	44,833
Accrued and withheld payroll and taxes	36,154	31,523
Accrued vacation	15,690	8,164
Service fee advances	<u>20,467</u>	<u>24,910</u>
Total current liabilities	128,912	177,762
<u>Net Assets</u>		
Unrestricted	350,222	212,754
Temporarily restricted	<u>199,944</u>	<u>345,271</u>
Total net assets	<u>550,166</u>	<u>558,025</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 679,078</u>	<u>\$ 735,787</u>

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

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions				
Grants	\$ 250,725	\$ 167,839	\$ 418,564	\$ 357,177
In-kind contributions	164,520		164,520	154,269
Special events	110,195	57,500	167,695	93,660
Less: costs of direct benefits to donors	<u>(85,359)</u>		<u>(85,359)</u>	<u>(21,172)</u>
Total contributions and net revenues from special events	440,081	225,339	665,420	583,934
Net assets released from restriction	370,666	(370,666)		
Service fees:				
Contracts	1,362,536		1,362,536	1,403,314
Other services fees	18,592		18,592	10,985
Interest and dividends	10,508		10,508	6,462
Realized and unrealized gains on investments	<u>40,167</u>		<u>40,167</u>	<u>44,272</u>
<u>Total Support and Revenue</u>	2,242,550	(145,327)	2,097,223	2,048,967
<u>Program Expenses</u>				
Training services	1,687,186		1,687,186	1,698,598
Employment services	<u>46,887</u>		<u>46,887</u>	<u>103,287</u>
Total program services	1,734,073		1,734,073	1,801,885
<u>Support Services</u>				
General and administrative	256,951		256,951	247,597
Fundraising	<u>114,058</u>		<u>114,058</u>	<u>158,623</u>
Total support services	<u>371,009</u>		<u>371,009</u>	<u>406,220</u>
<u>Total Expenses</u>	<u>2,105,082</u>		<u>2,105,082</u>	<u>2,208,105</u>
<u>Change in Net Assets</u>	137,468	(145,327)	(7,859)	(159,138)
<u>Net Assets - Beginning of Year</u>	<u>212,754</u>	<u>345,271</u>	<u>558,025</u>	<u>717,163</u>
<u>Net Assets -End of Year</u>	<u>\$ 350,222</u>	<u>\$ 199,944</u>	<u>\$ 550,166</u>	<u>\$ 558,025</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, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	2014						2013	
	Program Services			Supporting Services			Total	Total
	Training Services	Employment Services	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Salaries	\$ 485,095	\$ 33,332	\$ 518,427	\$ 139,464	\$ 86,209	\$ 225,673	\$ 744,100	\$ 721,012
Staff	666,139		666,139				666,139	753,093
Program participants	101,871	1,668	103,539	8,016	5,003	13,019	116,558	129,058
Payroll taxes	77,046	1,879	78,925	9,396	5,637	15,033	93,958	112,222
Benefits	1,330,151	36,879	1,367,030	156,876	96,849	253,725	1,620,755	1,715,385
Total salaries and related expenses								
Advertising					3,387	3,387	3,387	2,114
Bank charges				5,018		5,018	5,018	2,027
Consultants				50,795		50,795	50,795	51,316
Depreciation	26,927	657	27,584	3,284	1,970	5,254	32,838	39,795
Dues and subscriptions				3,398		3,398	3,398	2,193
In kind services	164,520		164,520				164,520	154,269
Insurance	6,306	154	6,460	769	461	1,230	7,690	6,660
Meeting expense	3,058	75	3,133	373	224	597	3,730	4,112
Miscellaneous	498	12	510	61	36	97	607	9,881
Office supplies	13,673	334	14,007	1,901	1,002	2,903	16,910	15,838
Payroll processing fees				5,852		5,852	5,852	6,419
Postage	4,203	103	4,306	595	307	902	5,208	8,706
Printing	9,111	222	9,333	1,111	667	1,778	11,111	24,615
Professional fees				11,626		11,626	11,626	17,384
Occupancy	109,050	2,659	111,709	13,298	7,979	21,277	132,986	121,339
Repairs and maintenance	789	19	808	96	57	153	961	8,708
Telephone	9,502	232	9,734	1,159	695	1,854	11,588	6,600
Training	3,600		3,600				3,600	
Travel	5,798	141	5,939	739	424	1,163	7,102	4,889
Website design and maintenance		5,400	5,400				5,400	5,855
Total	\$ 1,687,186	\$ 46,887	\$ 1,734,073	\$ 256,951	\$ 114,058	\$ 371,009	\$ 2,105,082	\$ 2,208,105

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, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ (7,859)	\$ (159,138)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,837	39,795
Unrealized (gains)/losses on investments	(18,409)	(23,599)
(Increase) Decrease in:		
Government grants receivable	16,745	83,414
Accounts receivable	55,779	(47,227)
Contributions and special events receivable	60,995	(24,885)
Prepaid expenses	(9,208)	(605)
Increase (Decrease) in:		
Accounts payable	(22,754)	(18,689)
Accrued expenses	(33,810)	31,519
Accrued and withheld payroll and taxes	4,631	4,364
Accrued vacation	7,526	1,131
Services fee advances	(4,443)	4,535
<u>Net Cash (Used) by Operating Activities</u>	<u>82,030</u>	<u>(109,385)</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of equipment		(13,477)
Proceeds from investment maturities and redemptions	232,493	416,064
Purchases of investments	(150,508)	(292,995)
<u>Net Cash Provided by Investing Activities</u>	<u>81,985</u>	<u>109,592</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from lease obligations		14,073
Payments of lease obligations		(20,833)
<u>Net Cash Flows (Used) by Financing Activities</u>	<u>0</u>	<u>(6,760)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	164,015	(6,553)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>31,737</u>	<u>38,290</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 195,752</u>	<u>\$ 31,737</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<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, 2014

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 32,000 job seekers 45 and older since its inception in 1982. In fact, in FY14, in Operation A.B.L.E.'s new location, it doubled the number of job seekers served from 556 in FY13 to 1,145 job seekers in FY14. 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. was awarded a significant gift from the Highland Street Foundation for the outstanding service provided to the community.

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. This year, Operation A.B.L.E. exceeded its performance goal for job placements.

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 **Medical Office Training (MOT)**, a 12-week program focusing on medical office and computer skills training. In addition, Operation A.B.L.E. of Greater Boston, Inc. runs an internship and volunteer program called **AgeWorks** which is an important way to get older workers back to work who do not need retraining.

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 and professional networking groups, job fairs and showcases and other employer/job seeker events.

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".

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

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. 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. No permanently restricted assets were received or held during 2014 and 2013 and accordingly, these financial statements do not reflect any activity related to this class of net assets for 2014 and 2013.

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, 2014

(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, 2014

(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 and recorded \$164,250 and \$154,269 of donated services for the years ended June 30, 2014 and 2013, 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.

Other donated services not included in this report as they do not meet the criteria for recognition 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 including 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, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- 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.
- m. Summarized Comparative Financial Statements
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended 2013, from which the summarized information was derived. In addition, certain items have been reclassified from their prior year presentation on the statement of functional expenses.

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, 2014, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require the Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or assets) if it has taken an uncertain position that more likely would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken and has concluded that as of June 30, 2014, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The tax returns are subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2011.

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, 2014, 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 \$286,364.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 4. Concentrations of Credit Risk (Continued)

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, 2014. The investments are allocated among various cash, debt and equity mutual funds and are carried at quoted market values as summarized below:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Money market investments	\$ 263	\$ 263	\$ 61,948	\$ 61,948
Debt and equity funds	285,101	246,974	286,992	244,081
Other	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>\$ 286,364</u>	<u>\$ 248,237</u>	<u>\$ 349,940</u>	<u>\$ 307,029</u>

Investment Income consists of the following:

	2014	2013
Interest and dividends	\$ 10,508	\$ 6,462
Unrealized gains on investments	18,409	23,599
Realized gains (losses) on investments	<u>21,758</u>	<u>20,673</u>
Total investment return	<u>\$ 50,675</u>	<u>\$ 50,734</u>

Note 6. Service Fee Advances

Service fee advances consist of the following:

	2014	2013
Tuition payments	<u>\$ 20,467</u>	<u>\$ 24,910</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 investment fund balance totaled \$286,364 and \$349,940 at June 30, 2014 and 2013, 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 \$10,508 and 5,598 in the years ended June 30, 2014 and 2013, respectively. All transfers from the fund must be authorized by the Board of Directors. Transfers from the fund for operating purposes totaled \$114,250 and \$149,900 for the years ended June 30, 2014 and 2013, respectively.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 8. Temporarily Restricted Net Assets

At June 30, 2014, temporarily restricted net assets consisted of the following:

	2014	2013
Restricted for computer and office skills training programs	\$ 25,000	\$ 72,590
Restricted for equipment purchases	120,104	30,104
Contribution and special event receivable	54,840	175,835
Restricted for ABLE Volunteers		13,085
Restricted for production of marketing materials		5,000
Restricted for increasing development capacity		2,242
Restricted for website development		2,500
Restricted for scholarships to training programs		43,915
Total temporarily restricted net assets	\$ 199,944	\$ 345,271

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	\$ 948,178
% of total support and revenue	45%

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, 2014 and 2013 total \$19,583 and \$19,366, respectively.

Note 11. Leases

In February 2013, the Organization entered into a seven year lease agreement for its main office facility that expires January 31, 2020 requiring monthly payments plus a prorate share of operating costs. In connection with that agreement, a refundable security deposit of \$20,833 remains on deposit. Included in occupancy expenses for the year ended June 30, 2014 is \$132,986 of lease related costs. As of June 30, 2014, future minimum lease payments under the Organization's operating lease are as follows:

2015	\$ 138,125
2016	142,500
2017	146,667
2018	156,667
2019	166,667
2020	100,625

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 12. Related Party Transactions

As of June 30, 2014, 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 January 9, 2014, the date which the financial statements were available to be issued.

There were 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, 2014

	<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	\$ 974,933	\$ 948,178
 <u>Pass Through Economic Development and Industrial Corporation (EDIC)</u>				
WIA Title 1 Adult Program	17.258	121-13/121-14	15,000	7,500
WIA DWT-NEG	17.277	144-14	15,000	10,000
WIA Title 1 Dislocated Worker	17.278	123-13/123-14	24,298	<u>12,149</u>
			Subtotal	29,649
 <u>Pass Through North Shore Workforce Investment Board</u>				
WIA Dislocated Worker	17.278	123-14	4,000	<u>2,000</u>
<u>Total U.S. Department of Labor</u>				<u>979,827</u>
 <u>U.S. Department of Agriculture</u>				
Food Stamp Employment and Training Program	10.551		89,765	<u>89,765</u>
<u>Total U.S. Department of Agriculture</u>				<u>89,765</u>
<u>Total Expenditures of Federal Awards</u>				<u>\$ 1,069,592</u>

<u>CFDA</u>	<u>Total</u>
10.551	\$ 89,765
17.235	948,178
17.258	7,500
17.277	10,000
17.278	<u>14,149</u>
	<u>\$ 1,069,592</u>

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

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, 2014, 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 January 8, 2015.

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 opinions 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 Operation A.B.L.E. of Greater Boston, Inc.'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2014-1

Operation A.B.L.E. of Greater Boston, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Operation A.B.L.E. of Greater Boston, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
January 8, 2015

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, 2014. 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, 2014.

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 federal 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 a 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 over compliance that we consider to be material weaknesses. However, material weaknesses may exist 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
January 8, 2015

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDITORS' RESULTS

1. The Independent 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 Independent Auditors' 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. One instance 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.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY 2014-1

Condition: Operation A.B.L.E. of Greater Boston, Inc. failed to submit its Uniform Financial Report as required by the Department of Education in a timely manner as required by the Commonwealth of Massachusetts.

Criteria: A Uniform Financial Report should be filed by November 15th or the approved extended due date of December 31 each year to comply with state funding requirements.

Effect: Failure to file by the deadline subjects the Organization to sanctions including interruption or stoppage or reimbursement.

Cause: The Organization experienced staff turnover in a critical position just prior to the close of the fiscal year.

Recommendation: Systems of internal control over critical operational financial recording and reporting systems should be developed and implemented to minimize future instances of staff turnover.

Organizations response Operation A.B.L.E. of Greater Boston, Inc. maintains a small staff which limits the organizations opportunities for the duplication of efforts or oversight to minimize operational interruptions due to staff turnover. The Organization is aware of the critical nature of this position and expedited the search for the replacement to minimize the vacancy. No interruption of program services or activities beyond the delay in the preparation of the audit process was experienced by the agency.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None