

AUDITED FINANCIAL STATEMENTS

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Easthampton, Massachusetts

JUNE 30, 2018

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

**Massachusetts Association of Councils on Aging
and Senior Center Directors, Inc.**

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Independent Auditors' Report

To the Board of Directors
**Massachusetts Association of Councils on Aging
and Senior Center Directors, Inc.**
Easthampton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Massachusetts Association of Councils on Aging and Senior Center Directors, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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. Management is also responsible for 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 error or fraud.

Auditors' 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. 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 Massachusetts Association of Councils on Aging and Senior Center Directors, Inc. as of June 30, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Massachusetts Association of Councils on Aging and Senior Center Directors, Inc.'s June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
September 17, 2018

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Statement of Financial Position

June 30, 2018 (with comparative totals for June 30, 2017)

<u>Assets</u>		
	<u>2018</u>	<u>2017</u>
Cash	\$ 194,672	\$ 132,796
Short-term investments	25,703	25,554
Grants receivable	620,220	287,391
Membership receivable	12,451	2,132
Prepaid expenses	28,194	24,465
Equipment, net	12,610	18,267
Funds held as fiscal agent for others	<u>3,105</u>	<u>1,164</u>
 Total assets	 <u>\$ 896,955</u>	 <u>\$ 491,769</u>
 <u>Liabilities and Net Assets</u>		
 Liabilities		
Accounts payable and accrued expenses	\$ 546,162	\$ 294,876
Prepaid conference fees and dues	25,836	25,206
Funds held as fiscal agent for others	<u>3,105</u>	<u>1,164</u>
Total liabilities	<u>575,103</u>	<u>321,246</u>
 Net assets		
Unrestricted		
Available for operations	213,934	117,859
Board-designated	<u>29,083</u>	<u>17,012</u>
Total unrestricted	243,017	134,871
Temporarily restricted	<u>78,835</u>	<u>35,652</u>
Total net assets	<u>321,852</u>	<u>170,523</u>
 Total liabilities and net assets	 <u>\$ 896,955</u>	 <u>\$ 491,769</u>

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Statement of Activities

Year Ended June 30, 2018 (with comparative totals for the year ended June 30, 2017)

	2018			2017 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues and other support				
MA Executive Office of Elder Affairs grants	\$ 1,395,150		\$ 1,395,150	\$ 1,042,500
Membership dues	256,181		256,181	232,795
Non-governmental grants	22,532	\$ 107,516	130,048	15,000
Conference registrations	108,570		108,570	126,880
Conference vendors	29,345		29,345	26,165
Conference sponsors and advertisements	25,956		25,956	21,450
Equipment sales to councils on agings	12,071		12,071	18,212
Space rental and other income	427		427	413
Interest	150		150	135
Net assets released from restrictions	64,333	(64,333)		
Total revenues and other support	<u>1,914,715</u>	<u>43,183</u>	<u>1,957,898</u>	<u>1,483,550</u>
Expenses				
Program	1,694,348		1,694,348	1,415,296
Administration	104,596		104,596	133,791
Fundraising	7,625		7,625	7,429
Total expenses	<u>1,806,569</u>		<u>1,806,569</u>	<u>1,556,516</u>
Change in net assets	108,146	43,183	151,329	(72,966)
Net assets - beginning of year	<u>134,871</u>	<u>35,652</u>	<u>170,523</u>	<u>243,489</u>
Net assets - end of year	<u>\$ 243,017</u>	<u>\$ 78,835</u>	<u>\$ 321,852</u>	<u>\$ 170,523</u>

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Statement of Functional Expenses

Year Ended June 30, 2018 (with comparative totals for the year ended June 30, 2017)

	2018				2017
	Program	Administration	Fundraising	Total	Total
Payroll and related	\$ 562,453	\$ 65,400	\$ 6,740	\$ 634,593	\$ 553,758
Program subcontracts	798,578			798,578	616,297
Function space	114,770			114,770	135,134
Program supplies	61,757			61,757	8,969
Travel and meetings	46,978	4,504	346	51,828	41,198
Other direct expenses	36,770	831		37,601	59,690
Office	19,188	6,113	62	25,363	15,132
Facilities and equipment	17,814	2,071	213	20,098	19,181
Information technology	9,789	1,441	140	11,370	12,369
Postage and printing	6,292	3,557		9,849	7,017
Business expenses	3,057	6,366		9,423	8,066
Telephone	6,279	703	54	7,036	5,542
Speakers and trainers	4,713			4,713	6,166
Accounting and legal		6,400		6,400	8,200
Depreciation	4,870	717	70	5,657	6,192
Other consultants		5,550		5,550	50,000
Conference	1,040	943		1,983	3,605
Total expenses	\$ 1,694,348	\$ 104,596	\$ 7,625	\$ 1,806,569	\$ 1,556,516

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Statement of Cash Flows

Year Ended June 30, 2018 (with comparative totals for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 151,329	\$ (72,966)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,657	6,192
Other changes in assets and liabilities:		
Grants receivable	(332,829)	117,738
Membership dues receivable	(10,319)	3,313
Prepaid expenses	(3,729)	29,638
Accounts payable and accrued expenses	251,286	(76,763)
Prepaid conference fees and dues	630	16,153
Net cash provided by operating activities	<u>62,025</u>	<u>23,305</u>
 Cash flows from investing activities		
Reinvested interest on short-term investments	<u>(149)</u>	<u>(135)</u>
Net cash used by investing activities	<u>(149)</u>	<u>(135)</u>
 Net increase in cash	61,876	23,170
 Cash - beginning of year	<u>132,796</u>	<u>109,626</u>
 Cash - end of year	<u>\$ 194,672</u>	<u>\$ 132,796</u>

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Notes to Financial Statements
June 30, 2018

1. Summary of Significant Accounting Policies

Nature of Business: Massachusetts Association of Councils on Aging and Senior Center Directors, Inc. was formed in 1979 to provide voice, leadership and service to Massachusetts Councils on Aging. The Organization provides training, as well as technical assistance and coordination of legislative advocacy, on issues related to Massachusetts' elders.

Income Taxes: The Organization is a nonprofit corporation organized under Chapter 180 of the laws of the Commonwealth of Massachusetts and is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis. The net assets of the Organization are reported in each of the following three classes, when applicable: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets are legally unrestricted and are reported as part of the unrestricted class. The Organization had only unrestricted and temporarily restricted net assets at June 30, 2018 and 2017.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Funds Held as Fiscal Agent for Others: The Organization had cash at June 30, 2018 and 2017, that was being held as the Organization acted as a fiscal agent for several agencies and, therefore, is presented separately as an asset and a liability on the statement of financial position.

Short-term Investments: The Organization considers certificates of deposit to be short-term investments.

Grants Receivable: Grants receivable are the result of timing differences of governmental grants awarded during the fiscal year and received in the next fiscal year. The Organization's management considers these grants to be fully collectible.

Equipment: Equipment is recorded at cost. Expenditures that result in significant renewals and betterments of equipment are capitalized. Expenditures for maintenance and repairs are expensed against income as incurred. The cost and related accumulated depreciation of assets retired or otherwise disposed of are removed from the accounts. Any resulting gain or loss is recognized in revenue or expenses, respectively, for the period.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Notes to Financial Statements (Continued)

June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Depreciation: The cost of equipment is depreciated on the straight-line basis over estimated lives of 3-10 years.

Revenue Recognition: The Organization recognizes revenue as it is earned rather than received. Annual membership dues and conference fees received in advance result in deferred revenue on the statement of financial position.

Allocation of Expenses: The costs of providing the various program services and supporting services of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Retirement Plan: The Organization has a 403(b) retirement plan (the "Plan"). All employees are eligible to participate and make tax-deferred contributions to the Plan. The participant is fully and immediately vested. The Organization does not contribute to the Plan.

Comparative Totals: 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 audited financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications: Certain reclassifications have been made for the year ended June 30, 2017 comparative totals to conform to the June 30, 2018 presentation. These reclassifications have no effect on the previously reported change in net assets for the year ended June 30, 2017.

2. Equipment, Net

Equipment consisting of office and program equipment, at cost, was the following at June 30:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 52,462	\$ 55,403
Less accumulated depreciation	<u>39,852</u>	<u>37,136</u>
Equipment, net	<u>\$ 12,610</u>	<u>\$ 18,267</u>

The Organization removed \$2,941 and \$51,067 of fully-depreciated equipment that was no longer in use during the years ended June 30, 2018 and 2017, respectively.

Depreciation expense was \$5,657 and \$6,192 for the years ended June 30, 2018 and 2017, respectively.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Notes to Financial Statements (Continued)

June 30, 2018

3. Board-designated Net Assets

Board designated net assets consisted of \$29,083 and \$17,012 at June 30, 2018 and 2017, respectively, for purchasing more assistive listening devices to benefit the Councils on Aging.

4. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Dementia Friendly Massachusetts Program	\$ 57,015	
Various grants		\$ 11,922
Keep Moving Program	<u>21,820</u>	<u>23,730</u>
	<u>\$ 78,835</u>	<u>\$ 35,652</u>

Net assets released from restrictions were \$64,333 and \$66,718 for the years ended June 30, 2018 and 2017, respectively.

5. Rent

The Organization rented office and storage space under a multi-year lease that expires on June 30, 2020. The lease is subject to annual increases each fiscal year based on the Consumer Price Index or 3.5%, whichever is greater.

The rent expense, which is included in facilities and equipment on the statement of functional expenses, was \$14,076 and \$13,956 for the years ended June 30, 2018 and 2017, respectively. The estimated minimum rental commitment is as follows for the years ending June 30:

2019	\$ 15,374
2020	16,136

6. Funds Held as Fiscal Agent for Others

The Organization had \$3,105 and \$1,164 included at June 30, 2018 and 2017, respectively, that were held for other agencies. These funds are being held as the Organization acts as a fiscal agent for several agencies and, therefore, are also recorded as liabilities on the statement of financial position.

**MASSACHUSETTS ASSOCIATION OF COUNCILS ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Notes to Financial Statements (Continued)

June 30, 2018

7. Contingencies

The Organization receives some of its support from government grants. The grants permit the grantor to audit both the financial operation of the grant and compliance with terms of the grant agreements. Such audits could result in the disallowance of some costs. Liabilities resulting from these audits, if any, will be recorded in the period in which the amount of the liability is ascertained.

8. Subsequent Events

Management has evaluated subsequent events through September 17, 2018, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.