

AUDITED FINANCIAL STATEMENTS

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

Easthampton, Massachusetts

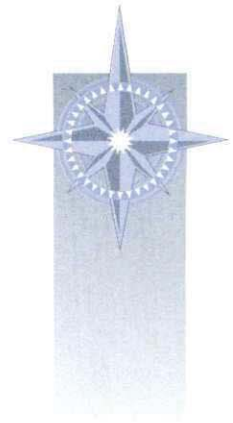
JUNE 30, 2019

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, 2019, the related statements of activities, functional expenses, 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, 2019, 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, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
October 28, 2019

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

Statement of Financial Position

June 30, 2019 (with comparative totals for June 30, 2018)

Assets

	<u>2019</u>	<u>2018</u>
Cash	\$ 262,428	\$ 194,672
Short-term investments	26,200	25,703
Grants receivable	447,227	620,220
Membership receivable	1,200	12,451
Prepaid expenses	14,276	28,194
Equipment, net	8,033	12,610
Funds held as fiscal agent for others	<u>2,923</u>	<u>3,105</u>
 Total assets	 <u>\$ 762,287</u>	 <u>\$ 896,955</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 446,944	\$ 546,162
Prepaid conference fees and dues	27,014	25,836
Funds held as fiscal agent for others	<u>2,923</u>	<u>3,105</u>
Total liabilities	<u>476,881</u>	<u>575,103</u>

Net assets

Without donor restrictions		
Available for operations	177,356	213,934
Board-designated	<u>7,953</u>	<u>29,083</u>
Total without donor restrictions	185,309	243,017
With donor restrictions	<u>100,097</u>	<u>78,835</u>
Total net assets	<u>285,406</u>	<u>321,852</u>

Total liabilities and net assets	<u>\$ 762,287</u>	<u>\$ 896,955</u>
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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, 2019 (with comparative totals for the year ended June 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and other support				
MA Executive Office of Elder Affairs grants	\$ 1,300,000		\$ 1,300,000	\$ 1,395,150
Membership dues	253,164		253,164	256,181
Federal grant	398,540		398,540	
Non-governmental grants	4,505	\$ 111,142	115,647	130,048
Conference registrations	125,010		125,010	108,570
Conference vendors	32,595		32,595	29,345
Conference sponsors and advertisements	20,758		20,758	25,956
Equipment sales to councils on agings	7,577		7,577	12,071
Space rental and other income	651		651	427
Interest	497		497	150
Net assets released from restrictions	89,880	(89,880)		
Total revenues and other support	<u>2,233,177</u>	<u>21,262</u>	<u>2,254,439</u>	<u>1,957,898</u>
Expenses				
Program	2,161,942		2,161,942	1,694,348
Administration	119,734		119,734	104,596
Fundraising	9,209		9,209	7,625
Total expenses	<u>2,290,885</u>		<u>2,290,885</u>	<u>1,806,569</u>
Change in net assets	(57,708)	21,262	(36,446)	151,329
Net assets - beginning of year	<u>243,017</u>	<u>78,835</u>	<u>321,852</u>	<u>170,523</u>
Net assets - end of year	<u>\$ 185,309</u>	<u>\$ 100,097</u>	<u>\$ 285,406</u>	<u>\$ 321,852</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, 2019 (with comparative totals for the year ended June 30, 2018)

	2019				2018
	Program	Administration	Fundraising	Total	Total
Payroll and related	\$ 707,007	\$ 76,825	\$ 6,903	\$ 790,735	\$ 634,593
Program subcontracts	1,113,166			1,113,166	798,578
Function space	135,604	6,479		142,083	114,770
Travel and meetings	51,246	7,060	1,765	60,071	53,811
Other direct expenses	41,409	1,589		42,998	37,601
Program supplies	29,116			29,116	61,757
Postage and printing	20,224	1,305	100	21,629	9,849
Facilities and equipment	18,696	2,337	212	21,245	20,098
Office	10,960	6,873		17,833	25,363
Information technology	13,064	1,755	135	14,954	11,370
Other consultants	10,114	1,500		11,614	5,550
Telephone	6,652	625	48	7,325	7,036
Business expenses	748	6,391		7,139	9,423
Accounting and legal		6,400		6,400	6,400
Depreciation	3,936	595	46	4,577	5,657
Speakers and trainers					4,713
Total expenses	<u>\$ 2,161,942</u>	<u>\$ 119,734</u>	<u>\$ 9,209</u>	<u>\$ 2,290,885</u>	<u>\$ 1,806,569</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 Cash Flows

Year Ended June 30, 2019 (with comparative totals for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (36,446)	\$ 151,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,577	5,657
Other changes in assets and liabilities:		
Grants receivable	172,993	(332,829)
Membership dues receivable	11,251	(10,319)
Prepaid expenses	13,918	(3,729)
Accounts payable and accrued expenses	(99,218)	251,286
Prepaid conference fees and dues	1,178	630
Net cash provided by operating activities	<u>68,253</u>	<u>62,025</u>
Cash flows from investing activities		
Reinvested interest on short-term investments	<u>(497)</u>	<u>(149)</u>
Net cash used by investing activities	<u>(497)</u>	<u>(149)</u>
Net increase in cash	67,756	61,876
Cash - beginning of year	<u>194,672</u>	<u>132,796</u>
Cash - end of year	\$ <u><u>262,428</u></u>	\$ <u><u>194,672</u></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, 2019

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).

Accounting Pronouncement Adopted: On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification and deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis. The Organization presents its financial statements according to two classes of net assets: those with donor restrictions and those without donor restrictions. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. The restrictions are temporary in nature and will be met by actions of the Organization. All other net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized.

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, 2019 and 2018, 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.

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

Notes to Financial Statements (Continued)

June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

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.

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, based mostly on employee time, 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, 2018, from which the summarized information was derived.

2. Equipment, Net (Continued)

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

	<u>2019</u>	<u>2018</u>
Equipment	\$52,462	\$52,462
Less accumulated depreciation	<u>44,429</u>	<u>39,852</u>
Equipment, net	\$ <u>8,033</u>	\$ <u>12,610</u>

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

Notes to Financial Statements (Continued)

June 30, 2019

2. Equipment, Net

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

Depreciation expense was \$4,577 and \$5,657 for the years ended June 30, 2019 and 2018, respectively.

3. Board-designated Net Assets

Board designated net assets consisted of \$7,953 and \$29,083 at June 30, 2019 and 2018, respectively, for purchasing more assistive listening devices to benefit the Councils on Aging.

4. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Dementia Friendly Massachusetts Program	\$ 80,301	\$ 57,015
Keep Moving Program	<u>19,796</u>	<u>21,820</u>
	<u>\$100,097</u>	<u>\$ 78,835</u>

Net assets released from restrictions consisted of the following purpose accomplishments for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Dementia Friendly Massachusetts Program	\$77,855	\$40,501
Various grants		11,922
Keep Moving Program	<u>12,025</u>	<u>11,910</u>
	<u>\$89,880</u>	<u>\$64,333</u>

5. Funds Held as Fiscal Agent for Others

The Organization had \$2,923 and \$3,105 included at June 30, 2019 and 2018, 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, 2019

6. 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 \$14,532 and \$14,076 for the years ended June 30, 2019 and 2018, respectively. The estimated minimum rental commitment is \$16,136 for the year ending June 30, 2020.

7. Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2019</u>	<u>2018</u>
Cash	\$262,428	\$194,672
Short-term investments	26,200	25,703
Grants and membership receivable	<u>448,427</u>	<u>632,671</u>
Total financials assets available for general expenditures within one year	<u>\$736,875</u>	<u>\$853,046</u>

8. 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.

9. Subsequent Events

Management has evaluated subsequent events through October 28, 2019, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.