

AUDITED FINANCIAL STATEMENTS

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

Easthampton, Massachusetts

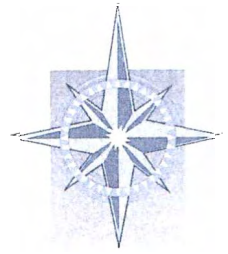
JUNE 30, 2020

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

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

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Independent Auditors' Report

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

We have audited the accompanying financial statements of Massachusetts Association of Council on Aging and Senior Center Directors, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and 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 Council on Aging and Senior Center Directors, Inc. as of June 30, 2020, and changes in its net assets, the result 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 Council on Aging and Senior Center Directors, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
August 25, 2020

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

Statement of Financial Position

June 30, 2020 (with comparative totals for June 30, 2019)

Assets

	<u>2020</u>	<u>2019</u>
Cash	\$ 413,131	\$ 262,428
Short-term investments	26,572	26,200
Grants receivable	703,258	447,227
Membership dues receivable	1,859	1,200
Prepaid expenses	40,998	14,276
Equipment, net	4,911	8,033
Funds held as fiscal agent for others	<u>2,973</u>	<u>2,923</u>
 Total assets	 <u>\$ 1,193,702</u>	 <u>\$ 762,287</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 438,514	\$ 446,944
Prepaid conference fees and dues	3,750	27,014
Funds held as fiscal agent for others	<u>2,973</u>	<u>2,923</u>
Total liabilities	<u>445,237</u>	<u>476,881</u>
 Net assets		
Without donor restrictions		
Available for operations	622,670	177,356
Board-designated	<u>7,953</u>	<u>7,953</u>
Total without donor restrictions	<u>630,623</u>	<u>185,309</u>
With donor restrictions	<u>117,842</u>	<u>100,097</u>
Total net assets	<u>748,465</u>	<u>285,406</u>
 Total liabilities and net assets	 <u>\$ 1,193,702</u>	 <u>\$ 762,287</u>

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

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

Statement of Activities

Year Ended June 30, 2020 (with comparative totals for the year ended June 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
	Revenues and other support			
MA Executive Office of Elder Affairs grants	\$ 2,355,014		\$ 2,355,014	\$ 1,300,000
Membership dues	302,191		302,191	253,164
Federal grant	299,857		299,857	398,540
Conference registrations	139,275		139,275	125,010
Non-governmental grants	12,240	\$ 113,410	125,650	115,647
Conference vendors	31,375		31,375	32,595
Conference sponsors and advertisements	22,300		22,300	20,758
Space rental and other income	1,465		1,465	651
Interest	371		371	497
Equipment sales to councils on agings				7,577
Net assets released from restrictions	<u>95,665</u>	<u>(95,665)</u>		
Total revenues and other support	<u>3,259,753</u>	<u>17,745</u>	<u>3,277,498</u>	<u>2,254,439</u>
Expenses				
Program	2,723,366		2,723,366	2,161,942
Administration	79,134		79,134	119,734
Fundraising	11,939		11,939	9,209
Total expenses	<u>2,814,439</u>		<u>2,814,439</u>	<u>2,290,885</u>
Change in net assets	445,314	17,745	463,059	(36,446)
Net assets - beginning of year	<u>185,309</u>	<u>100,097</u>	<u>285,406</u>	<u>321,852</u>
Net assets - end of year	<u>\$ 630,623</u>	<u>\$ 117,842</u>	<u>\$ 748,465</u>	<u>\$ 285,406</u>

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

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

Statement of Functional Expenses

Year Ended June 30, 2020 (with comparative totals for the year ended June 30, 2019)

	2020				2019
	Program	Administration	Fundraising	Total	Total
Payroll and related	\$ 917,713	\$ 49,024	\$ 9,805	\$ 976,542	\$ 790,735
Program subcontracts	1,509,196			1,509,196	1,113,166
Function space	108,535			108,535	142,083
Travel and meetings	34,824	2,544	1,018	38,386	60,071
Office	28,894	3,400	680	32,974	17,833
Program supplies	32,815			32,815	29,116
Information technology	24,772	2,037	157	26,966	14,954
Other direct expenses	19,280	899		20,179	42,998
Facilities and equipment	17,086	2,136	194	19,416	21,245
Postage and printing	16,952	326	25	17,303	21,629
Business expenses	1,156	8,541		9,697	7,139
Telephone	6,938	371	29	7,338	7,325
Accounting and legal		6,450		6,450	6,400
Other consultants	2,520	3,000		5,520	11,614
Depreciation	2,685	406	31	3,122	4,577
Total expenses	\$ 2,723,366	\$ 79,134	\$ 11,939	\$ 2,814,439	\$ 2,290,885

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

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

Statement of Cash Flows

Year Ended June 30, 2020 (with comparative totals for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 463,059	\$ (36,446)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,122	4,577
Other changes in assets and liabilities:		
Grants receivable	(256,031)	172,993
Membership dues receivable	(659)	11,251
Prepaid expenses	(26,722)	13,918
Accounts payable and accrued expenses	(8,430)	(99,218)
Prepaid conference fees and dues	<u>(23,264)</u>	<u>1,178</u>
Net cash provided by operating activities	<u>151,075</u>	<u>68,253</u>
 Cash flows from investing activities		
Reinvested interest on short-term investments	<u>(372)</u>	<u>(497)</u>
Net cash used by investing activities	<u>(372)</u>	<u>(497)</u>
 Net increase in cash	150,703	67,756
 Cash - beginning of year	<u>262,428</u>	<u>194,672</u>
 Cash - end of year	<u>\$ 413,131</u>	<u>\$ 262,428</u>

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

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

Notes to Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies

Nature of Business: Massachusetts Association of Council on Aging and Senior Center Directors, Inc. (the “Organization”) was formed in 1979 to provide voice, leadership, and service to Massachusetts Council 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 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, 2020 and 2019, 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.

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

Notes to Financial Statements (Continued)

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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, 2019, from which the summarized information was derived.

2. Equipment

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

	<u>2020</u>	<u>2019</u>
Equipment	\$52,462	\$52,462
Less accumulated depreciation	<u>47,551</u>	<u>44,429</u>
Equipment, net	<u>\$ 4,911</u>	<u>\$ 8,033</u>

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

Notes to Financial Statements (Continued)

June 30, 2020

2. Equipment, Net (Continued)

Depreciation expense was \$3,122 and \$4,577 for the years ended June 30, 2020 and 2019, respectively.

3. Board-designated Net Assets

Board designated net assets consisted of \$7,953 at June 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Dementia Friendly Massachusetts Program	\$103,655	\$ 80,301
Keep Moving Program	<u>14,187</u>	<u>19,796</u>
	<u>\$117,842</u>	<u>\$100,097</u>

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

	<u>2020</u>	<u>2019</u>
Dementia Friendly Massachusetts Program	\$80,056	\$77,855
Keep Moving Program	<u>15,609</u>	<u>12,025</u>
	<u>\$95,665</u>	<u>\$89,880</u>

5. Funds Held as Fiscal Agent for Others

The Organization had \$2,973 and \$2,923 included at June 30, 2020 and 2019, 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.

6. Rent

The Organization rented office and storage space under a multi-year lease that expired on June 30, 2020. The Organization renewed the lease for an additional three-year period ending June 30, 2023. The lease is subject to annual increases each fiscal year based on the Consumer Price Index or 3.5%, whichever is greater.

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

Notes to Financial Statements (Continued)

June 30, 2020

6. Rent (Continued)

The rent expense, which is included in facilities and equipment on the statement of functional expenses, was \$15,240 and \$14,532 for the years ended June 30, 2020 and 2019, respectively. The estimated minimum rental commitment is the following for the years ended June 30:

2021	\$16,700
2022	17,285
2023	<u>17,890</u>
	<u>\$51,875</u>

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>2020</u>	<u>2019</u>
Cash	\$ 413,131	\$ 262,428
Short-term investments	26,572	26,200
Grants and membership receivable	705,117	448,427
Less donor restrictions	<u>(117,842)</u>	<u>(100,097)</u>
Total financials assets available for general expenditures within one year	<u>\$1,026,978</u>	<u>\$ 636,958</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.

In early March 2020, there was a global outbreak of the COVID-19 virus that has resulted in significant changes in the global economy. As a result of a potential economic downturn, and any potential resulting direct or indirect negative impact to the Organization cannot be determined, however it could have a prospective material impact on the Organization's business, cash flows, and liquidity.

9. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2020, through August 25, 2020, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.