

AUDITED FINANCIAL STATEMENTS

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

Easthampton, Massachusetts

JUNE 30, 2022

Boisselle, Morton & Wolkowitz, 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, 2022, 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, 2022, 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
September 30, 2022

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

Statement of Financial Position
June 30, 2022 (with comparative totals for June 30, 2021)

<u>Assets</u>		
	<u>2022</u>	<u>2021</u>
Cash	\$ 324,436	\$ 147,116
Short-term investments	26,781	26,699
Grants receivable	840,916	1,096,924
Membership dues receivable	3,221	100
Prepaid expenses	41,761	40,242
Equipment, net	2,847	3,692
Funds held as fiscal agent for others	<u>2,932</u>	<u>5,542</u>
 Total assets	 <u>\$ 1,242,894</u>	 <u>\$ 1,320,315</u>
 <u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 717,620	\$ 867,977
Prepaid conference fees and dues		7,856
Funds held as fiscal agent for others	<u>2,932</u>	<u>5,542</u>
Total liabilities	<u>720,552</u>	<u>881,375</u>
Net assets		
Without donor restrictions		
Available for operations	409,424	410,104
Board-designated	<u>7,953</u>	<u>7,953</u>
Total without donor restrictions	417,377	418,057
With donor restrictions	<u>104,965</u>	<u>20,883</u>
Total net assets	<u>522,342</u>	<u>438,940</u>
 Total liabilities and net assets	 <u>\$ 1,242,894</u>	 <u>\$ 1,320,315</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, 2022 (with comparative totals for the year ended June 30, 2021)

	2022			2021
	Without Donor	With Donor	Total	Total
	Restrictions	Restrictions		
Revenues and other support				
MA Executive Office of Elder Affairs grants	\$ 2,361,925	\$ 126,052	\$ 2,487,977	\$ 2,214,922
Membership dues	300,659		300,659	2,300
Non-governmental grants	79,505	10,000	89,505	59,036
Conference registrations	34,750		34,750	43,605
Federal grant	18,840		18,840	220,590
Conference sponsors and advertisements	18,500		18,500	16,000
Conference vendors	3,250		3,250	1,500
Interest	82		82	128
Space rental and other income	50		50	219
Net assets released from restrictions	51,970	(51,970)		
Total revenues and other support	2,869,531	84,082	2,953,613	2,558,300
Expenses				
Program	2,679,328		2,679,328	2,757,906
Administration	137,285		137,285	60,069
Fundraising	53,598		53,598	49,850
Total expenses	2,870,211		2,870,211	2,867,825
Change in net assets	(680)	84,082	83,402	(309,525)
Net assets - beginning of year	418,057	20,883	438,940	748,465
Net assets - end of year	\$ 417,377	\$ 104,965	\$ 522,342	\$ 438,940

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, 2022 (with comparative totals for the year ended June 30, 2021)

	2022				2021
	Program	Administration	Fundraising	Total	Total
Payroll and related	\$ 956,609	\$ 80,455	\$ 52,986	\$ 1,090,050	\$ 1,088,931
Program subcontracts	1,611,117			1,611,117	1,668,956
Information technology	47,506	4,790	368	52,664	35,613
Office	11,941	8,332		20,273	8,852
Facilities and equipment	15,428	1,928	175	17,531	17,904
Travel and meetings	1,808	15,498		17,306	819
Function space	10,770			10,770	
Business expenses		8,150		8,150	16,002
Telephone	7,092	800	61	7,953	7,391
Accounting and legal	625	7,225		7,850	6,400
Other consultants	5,172	8,536		13,708	3,000
Postage and printing	5,014	1,409		6,423	4,962
Other direct expenses	3,648	52		3,700	2,186
Program supplies	1,871			1,871	5,590
Depreciation	727	110	8	845	1,219
Total expenses	\$ 2,679,328	\$ 137,285	\$ 53,598	\$ 2,870,211	\$ 2,867,825

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, 2022 (with comparative totals for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 83,402	\$ (309,525)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	845	1,219
Other changes in assets and liabilities:		
Grants receivable	256,008	(393,666)
Membership dues receivable	(3,121)	1,759
Prepaid expenses	(1,519)	756
Accounts payable and accrued expenses	(150,357)	429,463
Prepaid conference fees and dues	(7,856)	4,106
Net cash provided (used) by operating activities	<u>177,402</u>	<u>(265,888)</u>
 Cash flows from investing activities		
Reinvested interest on short-term investments	<u>(82)</u>	<u>(127)</u>
Net cash used by investing activities	<u>(82)</u>	<u>(127)</u>
 Net increase (decrease) in cash	177,320	(266,015)
 Cash - beginning of year	<u>147,116</u>	<u>413,131</u>
 Cash - end of year	<u>\$ 324,436</u>	<u>\$ 147,116</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, 2022

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, except for net income derived from unrelated business activities. At June 30, 2022, the Organization has determined that they had no such unrelated business activities. Accordingly, no provision for federal and state income taxes is required. 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, 2022 and 2021, 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, 2022

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 contributions and grants when they are received or an unconditional promise to give is made. Contributions and grants with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met. The Organization recognizes other 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, 2021, 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>2022</u>	<u>2021</u>
Equipment	\$34,815	\$41,238
Less accumulated depreciation	<u>31,968</u>	<u>37,546</u>
Equipment, net	<u>\$ 2,847</u>	<u>\$ 3,692</u>

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

Notes to Financial Statements (Continued)

June 30, 2022

2. Equipment, Net (Continued)

Fully-depreciated equipment with a cost of \$6,423 was disposed of during the year ended June 30, 2022. Depreciation expense was \$845 and \$1,219 for the years ended June 30, 2022 and 2021, respectively.

3. Board-designated Net Assets

Board-designated net assets consisted of \$7,953 at June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
ARPA funds	\$ 87,025	
Keep Moving Program	<u>17,940</u>	<u>\$ 20,883</u>
	<u>\$104,965</u>	<u>\$ 20,883</u>

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

	<u>2022</u>	<u>2021</u>
Dementia Friendly Massachusetts Program		\$149,848
ARPA funds	\$ 49,027	
Keep Moving Program	<u>2,943</u>	<u>3,303</u>
	<u>\$ 51,970</u>	<u>\$153,151</u>

5. Funds Held as Fiscal Agent for Others

The Organization had \$2,932 and \$5,542 included at June 30, 2022 and 2021, 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 COUNCIL ON AGING
AND SENIOR CENTER DIRECTORS, INC.**

Notes to Financial Statements (Continued)

June 30, 2022

6. Line of Credit

The Organization has an available line of credit with a local bank in the amount of \$100,000. The bank charges an interest rate of prime plus 1.50% (6.25% at June 30, 2022) on the outstanding balance. There were no borrowings on the line of credit during the years ended June 30, 2022 or 2021, and no outstanding balances at either year end.

7. Rent

The Organization rents office and storage space under a multi-year lease that expires on 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.

The rent expense, which is included in facilities and equipment on the statement of functional expenses, was \$15,612 and \$15,216 for the years ended June 30, 2022 and 2021, respectively. The estimated minimum rental commitment is \$17,890 for the year ended June 30, 2023.

8. 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, comprised the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 324,436	\$ 147,116
Short-term investments	26,781	26,699
Grants and membership receivable	844,137	1,097,024
Less donor restrictions	<u>(104,965)</u>	<u>(20,883)</u>
Total financials assets available for general expenditures within one year	<u>\$1,090,389</u>	<u>\$1,249,956</u>

9. 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.

10. Concentrations

The Massachusetts Executive Office of Elder Affairs (EOEA) grants represented 84% and 87% of the Organization's total revenues and other support for the years ended June 30, 2022 and 2021, respectively. Grants receivable from the EOEA comprised 99% of total receivables at June 30, 2022 and 2021.

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

Notes to Financial Statements (Continued)

June 30, 2022

11. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2022, through September 30, 2022, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.