

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

(With Independent Auditors' Report Thereon)

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)**

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Bruce D. Norling, CPA, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Central Massachusetts Agency on Aging, Inc.
West Boylston, Massachusetts

We have audited the accompanying statement of financial position of Central Massachusetts Agency on Aging, Inc. (a nonprofit organization) as of September 30, 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements, which were audited by us, and in our report dated December 30, 2009 we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2010, 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.

In accordance with Government Auditing Standards, we have also issued our report dated January 4, 2011 on our consideration of the Organization'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of activity by program, subgrantee expenses, and revenues by program are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and also is not a required part of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Bruce D. Norling, CPA, P.C.

January 4, 2011

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

ASSETS	Unrestricted Net Assets	Temporarily Restricted Net Assets	2010	2009
Current Assets:				
Cash	\$ 32,782	\$ -	\$ 32,782	\$ 110,593
Cash - escrow	-	-	-	25,000
Investments	102,619	-	102,619	93,133
Grants receivable	1,069,506	-	1,069,506	621,158
Prepaid expenses	9,546	-	9,546	9,449
Total Current Assets	<u>1,214,453</u>	<u>-</u>	<u>1,214,453</u>	<u>859,333</u>
Property and Equipment	42,846	-	42,846	42,846
Accumulated depreciation	<u>(40,173)</u>	<u>-</u>	<u>(40,173)</u>	<u>(37,826)</u>
Net Property and Equipment	<u>2,673</u>	<u>-</u>	<u>2,673</u>	<u>5,020</u>
Total Assets	<u>\$ 1,217,126</u>	<u>\$ -</u>	<u>\$ 1,217,126</u>	<u>\$ 864,353</u>
 LIABILITIES AND NET ASSETS				
Current Liabilities:				
Line of credit	\$ 41,074	\$ -	\$ 41,074	\$ -
Subgrantee payables	929,452	-	929,452	592,762
Accounts payable	4,264	-	4,264	6,662
Accrued expenses	68,430	-	68,430	93,698
Total Current Liabilities	1,043,220	-	1,043,220	693,122
Net Assets	<u>173,906</u>	<u>-</u>	<u>173,906</u>	<u>171,231</u>
Total Liabilities and Net Asset:	<u>\$ 1,217,126</u>	<u>\$ -</u>	<u>\$ 1,217,126</u>	<u>\$ 864,353</u>

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

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	
			2010	2009
Revenue:				
Federal and state funding	\$ 3,233,034	\$ -	\$ 3,233,034	\$ 2,838,879
Interest and investment income	2,295	-	2,295	2,537
Unrealized (loss) gain on investments	7,572	-	7,572	(264)
Other income	23,107	-	23,107	28,228
Net assets released from restrictions satisfied by payments	925	(925)	-	-
Total Revenue	3,266,933	(925)	3,266,008	2,869,380
Expenses:				
Program Services:				
Direct service to clients	2,730,332	-	2,730,332	2,380,250
In-house	111,419	-	111,419	99,539
Total Program Services	2,841,751	-	2,841,751	2,479,789
Administrative Services:				
Management and general	330,359	-	330,359	317,241
Planning and allocation	89,416	-	89,416	71,356
Total Administrative Services	419,775	-	419,775	388,597
Fundraising	1,807	-	1,807	2,133
Total Expenses	3,263,333	-	3,263,333	2,870,519
(Decrease) Increase in Net Assets	3,600	(925)	2,675	(1,139)
Net Assets, Beginning of Year	170,306	925	171,231	172,370
Net Assets, End of Year	\$ <u>173,906</u>	\$ <u>-</u>	\$ <u>173,906</u>	\$ <u>171,231</u>

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

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:	\$ 2,675	\$ (1,139)
(Decrease) Increase in net assets		
Adjustment to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation	2,347	2,380
Unrealized loss (gain) on investments	(7,572)	264
(Increase) Decrease in Operating Assets:		
Accounts receivable trade - other	-	38
Grants receivable	(448,348)	(46,929)
Investments	(1,914)	(1,817)
Prepaid expenses	(97)	1,554
Increase (Decrease) in Operating Liabilities:		
Subgrantee payables	336,690	61,558
Accounts payable	(2,398)	(5,940)
Accrued expenses	<u>(25,268)</u>	<u>(6,388)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(143,885)</u>	<u>3,581</u>
Cash Flows from Financing Activities:		
Net short-term borrowing transactions	<u>41,074</u>	<u>-</u>
Net Increase (Decrease) in Cash	(102,811)	3,581
Cash, Beginning of Year	<u>135,593</u>	<u>132,012</u>
Cash, End of Year	<u>\$ 32,782</u>	<u>\$ 135,593</u>
Supplemental Disclosure of Cash Flows Information:		
Cash paid during the year for:		
Interest	<u>\$ 1,634</u>	<u>\$ 510</u>

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

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

	Program Services	Management & General	Planning & Allocation	Fundraising	Total	
					2010	2009
Direct Care Subgrantee Expenses	\$ 2,730,332	\$ -	\$ -	\$ -	\$ 2,730,332	\$ 2,380,250
Employee Compensation:						
Salaries	73,794	206,735	70,004	186	350,719	309,175
Fringe - mandatory	6,185	17,114	5,963	14	29,276	26,375
Fringe - voluntary	11,502	17,065	11,572	7	40,146	42,193
Total Payroll and Related Expenses	91,481	240,914	87,539	207	420,141	377,743
Operating Expenses:						
Advertising	-	706	-	-	706	669
Board costs	-	1,019	-	-	1,019	606
Depreciation	-	2,347	-	-	2,347	2,380
Dues and subscriptions	-	3,033	-	-	3,033	3,248
Equipment expense	-	2,884	-	-	2,884	1,211
Equipment rental/maintenance	949	2,388	-	44	3,381	4,855
Insurance	2,325	4,408	-	-	6,733	6,586
Interest	-	1,634	-	-	1,634	510
Miscellaneous	996	15,499	-	-	16,495	10,483
Occupancy	9,158	21,677	-	-	30,835	30,401
Payroll services	233	814	-	-	1,047	1,033
Postage	797	2,050	-	407	3,254	4,139
Printing and reproductions	798	4,331	-	1,149	6,278	7,570
Professional fees	2,133	18,796	-	-	20,929	23,459
Public relations	199	318	-	-	517	4,550
Repairs and maintenance	622	1,178	-	-	1,800	1,800
Telephone	1,008	2,195	-	-	3,203	2,791
Training	215	807	-	-	1,022	898
Travel	505	3,361	1,877	-	5,743	5,337
Total Operating Expenses	19,938	89,445	1,877	1,600	112,860	112,526
Total Expenses	\$ 2,841,751	\$ 330,359	\$ 89,416	\$ 1,807	\$ 3,263,333	\$ 2,870,519

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

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

1. Nature of Activities and Summary of Significant Accounting Policies:

Nature of Activities:

Central Massachusetts Agency on Aging, Inc. (CMAA) is a private non-profit corporation whose purpose is to provide leadership, resources, coordination of services and advocacy for elderly people and their families. The corporation concentrates, but not limits, its efforts to central Massachusetts. To accomplish this, CMAA allocates federal funds to outside programs for nutrition, ombudsman, caregiver support and other supportive services. CMAA receives its funding from the federal government, State of Massachusetts, and corporate and individual contributors.

Basis of Accounting:

CMAA prepares its financial statements on the accrual method of accounting in accordance with generally accepted accounting principles; under this method revenue is recognized as it is earned versus when received, and expenses are recognized as the obligations are incurred versus when paid.

Basis of Statements:

CMAA 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.

Comparative Financial Information:

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 CMAA's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

Cash:

Cash consists of cash in interest and non-interest bearing depository accounts and cash on hand.

Grants Receivable:

The amount due from grantors represents revenue contracted for the current year that was not received prior to September 30, 2010. Based on management's evaluation of uncollected accounts at the end of the year, bad debts are provided on the allowance method. The allowance for doubtful accounts as of September 30, 2010 was \$0.

Donated Services:

Donated services are reflected as contributions and in-kind expenses in the accompanying statements at their estimated values on the date of receipt.

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in Statements of Functional Expenses. Accordingly, certain costs have been allocated between programs.

Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair market values in the statement of financial position.

Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment:

Property and equipment are recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major acquisitions are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets. CMAA maintains a capitalization policy for assets over \$1,000 coupled with a useful life of three years or more. Items not meeting the capitalization criteria are expensed in the year of acquisition.

Nonprofit Status and Income Taxes

CMAA is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to CMAA within Internal Revenue Code regulations. CMAA is subject to a tax on income from any unrelated business.

On October 1, 2009, CMAA adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. CMAA has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. CMAA believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on CMAA's financial condition, results of operations or cash flows. Accordingly, CMAA has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2010.

CMAA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. CMAA believes it is not longer subject to income tax examinations for years prior to 2006. CMAA policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

**CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. Public Support – Federal and State Funding:

The following is a brief description of the major public support of the CMAA:

A. The Commonwealth of Massachusetts, Executive Office of Elder Affairs, has multiple agreements with the CMAA to pass through federal monies to fund various program costs. Under this funding source, the following services are provided:

Title III-A - The administrative portion of the Title III grants provides funding for the operations of the CMAA, including salaries, benefits, occupancy and other administrative costs.

Title III-B - Supportive services including medical transportation and crisis intervention.

Title III-B Ombudsman - Funding for an ongoing Ombudsman program. Ombudsman are trained by the State and represent clients in long-term care facilities.

Title III-C - Nutrition programs for congregate and home delivered meals for the elderly.

Title III-D - Funding for programs dealing with health promotion, disease prevention and medication management.

Title III-E - Funding for programs dealing with family caregiver's support.

B. CMAA has a subcontract with the Department of Health and Human Services for NSIP funding through the Executive Office of Elder Affairs. Subgrantees participating in the Title III-C funding qualify for NSIP reimbursements based upon the number of meals served.

3. Property and Equipment:

Property and equipment consisted of the following at September 30, 2010:

Equipment	\$	42,846
Less accumulated depreciation		<u>(40,173)</u>
 Total	 \$	 <u>2,673</u>

Depreciation expense was \$2,347 for the year ending September 30, 2010.

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

4. Investments:

ASC 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 have the lowest priority. CMAA uses appropriate valuation techniques based on available inputs to measure the fair value of its investments.

When available, CMAA measures fair value using Level 2 inputs because they generally provide the most reliable evidence of fair value. Level 2 Fair Value Measurements: The fair value of mutual funds is based on quoted net asset values of shares held by CMAA at September 30, 2010.

<u>September 30, 2010</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 2)</u>
Fidelity Funds	\$102,619	\$102,619

Investments in equity securities with readily determinable fair values are carried at fair market value. The investments at September 30, 2010 comprise the following:

Fidelity Asset Manager – Growth	\$ 29,403
Fidelity Intermediate Government Income Fund	26,858
Fidelity Puritan Fund	12,168
Fidelity Value Fund	<u>34,190</u>
	<u><u>\$ 102,619</u></u>

Investment income earned on these investments amounted to \$1,914 in 2010.

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

5. Grants Receivable:

Grants receivable represents uncollected support invoiced to the Executive Office of Elder Affairs for expenses incurred by CMAA on behalf of the following programs as of September 30, 2010:

Title III-A Administrative	\$	92,010
Title III-B Support Services		175,448
Title III-B Ombudsman		105,248
Title III-C Nutrition		396,930
Title III-D Disease Prevention		8,718
Title III-D Medication Management		5,910
Title III-E Family Caregivers Support		113,476
Nutrition Services Incentive Program		171,766
	\$	1,069,506

6. Lease Commitments:

CMAA leases office space in West Boylston, Massachusetts as a tenant-at-will.

Rental expense amounted to \$26,515 for 2010, which includes an in-kind contribution of \$4,320

CMAA leases equipment under operating leases which expire through November 2012. Minimum future rental payments under the non-cancelable leases are:

2011	\$	1,719
2012		1,719
Total	\$	3,438

Equipment leasing expense amounted to \$1,891 in 2010.

7. Line-of-Credit:

CMAA maintains a \$75,000 line-of-credit which is due on demand with interest at 2% above the Wall Street Journal's prime rate. The line-of-credit is secured by all assets of CMAA. As of September 30, 2010, the line had \$33,926 available. Interest expense incurred on the line-of-credit was \$1,634 in 2010.

**CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010**

8. Simplified Employee Pension Plan:

CMAA began offering a simplified employee pension (SEP) plan in fiscal 2005 to substantially all eligible employees. Under the SEP plan, the CMAA will contribute to each eligible employee's IRA account a percentage of their compensation. The contribution will be based on the first \$200,000 of compensation and is limited to the lesser of \$40,000 or 25% of compensation. The contribution will be determined annually by management. CMAA's contribution amounted to \$12,001 for 2010.

9. Compensated Absences:

Employees of CMAA accrue vacation time based on the number of years of employment, ranging from ten to twenty-five days per year. Included in accrued expenses under current liabilities at September 30, 2010 is unused vacation time of \$21,109.

10. Concentration of Risk:

CMAA recognized funding from the following major sources as of, and for the year ending September 30, 2010:

	<u>% of Total Revenue</u>	<u>% of Total Grants Receivable</u>
Title III-A Administrative Support	10%	9%
Title III-B Ombudsman Services	8%	16%
Title III-B Support Services	18%	10%
Title III-C Nutrition Program	35%	37%
Title III-D Disease Prevention	1%	2%
Title III-E Family Caregivers Support	10%	11%
Nutrition Services Incentive Program	11%	16%
ARRA Congregate Meals	4%	0%
ARRA Home Delivered Meals	2%	0%

Should the Title-III or Nutrition Services Program be reduced or eliminated, CMAA would be adversely impacted and require program and cost reductions.

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

11. Donated Services:

The value of donated services included as administrative revenue in the financial statements and the corresponding administrative expense for the year ended September 30, 2010, are as follows:

Electronic Communications	\$ 4,680
Occupancy	4,320
Public Relations	193
Professional and Intern Services	4,570
	<hr/>
	\$ 13,763
	<hr/>

In addition, donated services with an estimated value of \$18,352 were not recognized in the financial statements because they did not meet the criteria for recognition under accounting standards.

12. Subsequent Events:

CMAA did not have any recognized or non-recognized subsequent events after September 30, 2010, the date of the statement of financial position. Subsequent events have been evaluated through January 4, 2011, the date the financial statements were issued.

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
SCHEDULE OF ACTIVITIES BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Comparative Totals for 2009)

	Supportive Services	Ombudsman Services	S.H.I.M.E. Program	Nutrition Program	N.S.I.P.	Medication Management	Disease Prevention	Admin. Support Planning	Caregiver Support	ARRA Congregate Meals	ARRA Home Delivered	POMP	Fundraising	Corporate	Temporarily Restricted Net Assets	Total all Funds	
																2010	2009
Revenue:																	
Federal and state funding	\$ 519,676	\$ 254,236	\$ 2,549	\$ 1,139,354	\$ 351,592	\$ 12,713	\$ 31,425	\$ 391,269	\$ 318,223	\$ 141,890	69,853	254	1,807	\$ 1,914	\$ -	\$ 3,233,034	\$ 2,838,879
Other	-	-	-	-	-	-	-	19,181	-	-	-	-	-	7,572	2,500	25,402	30,765
Unrealized (loss) gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,572	(26,4)
Total Revenues	519,676	254,236	2,549	1,139,354	351,592	12,713	31,425	410,450	318,223	141,890	69,853	254	1,807	9,486	2,500	3,266,008	2,869,380
Expenses:																	
Direct services, subgrantee expenses:																	
Title II-B - Supportive Services - Access	63,043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,043	63,063
Title II-B - Supportive Services - In-Home	179,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,579	187,664
Title II-B - Supportive Services - Legal	168,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	168,464	163,660
Title II-B - Senior Centers and Other	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000	6,592
Title II-B - Ombudsman	254,236	-	-	1,139,354	-	-	-	-	-	-	-	-	-	-	-	254,236	260,276
Title II-C - Nutrition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,139,354	1,113,850
N.S.I.P.	-	-	-	-	351,592	12,713	-	-	-	-	-	-	-	-	-	351,592	269,927
Title II-D - Medication Management	-	-	-	-	-	12,713	-	-	-	-	-	-	-	-	-	12,713	9,734
Title II-E - Health Promotion	-	-	-	-	-	-	31,425	-	-	-	-	-	-	-	-	31,425	31,461
Title II-F - Family Caregiver Support	-	-	-	-	-	-	-	-	311,183	-	-	-	-	-	-	311,183	278,023
ARRA Congregate Meals	-	-	-	-	-	-	-	-	-	141,890	-	-	-	-	-	141,890	-
ARRA Home Delivered Meals	-	-	-	-	-	-	-	-	-	-	69,853	-	-	-	-	69,853	-
POMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Direct Services, Subgrantees	418,066	254,236	2,549	1,139,354	351,592	12,713	31,425	311,183	311,183	141,890	69,853	254	1,807	9,486	2,500	2,730,332	2,380,250
Administrative and Fundraising Expenses:																	
Advertising	-	-	-	-	-	-	-	706	-	-	-	-	-	-	-	706	669
Board costs	-	-	-	-	-	-	-	1,019	-	-	-	-	-	-	-	1,019	606
Depreciation	-	-	-	-	-	-	-	2,347	-	-	-	-	-	-	-	2,347	2,380
Dues and subscriptions	-	-	-	-	-	-	-	3,033	-	-	-	-	-	-	-	3,033	3,248
Electronic communications	710	-	233	-	-	-	-	13,775	2	-	-	-	-	-	-	14,720	9,558
Equipment expense	-	-	-	-	-	-	-	2,884	-	-	-	-	-	-	-	2,884	1,211
Equipment rental/maintenance	847	-	43	-	-	-	-	2,388	34	-	-	25	44	-	-	3,381	4,855
Fringe - mandatory and voluntary	17,350	-	-	-	-	-	-	51,714	315	-	-	22	21	-	-	69,422	68,568
Insurance	1,409	-	376	-	-	-	-	4,408	540	-	-	-	-	-	-	6,586	6,586
Interest	-	-	-	-	-	-	-	1,634	-	-	-	-	-	-	-	1,634	510
Meeting	-	-	-	-	-	-	-	294	-	-	-	-	-	-	-	294	115
Miscellaneous	-	-	-	-	-	-	-	1,430	-	-	-	-	-	-	-	1,430	783
Occupancy	5,550	-	1,482	-	-	-	-	21,677	2,126	-	-	-	-	-	-	30,835	30,401
Payroll service	233	-	-	-	-	-	-	814	-	-	-	-	-	-	-	1,047	1,033
Personnel - accrual adjustments	71,711	-	-	-	-	-	-	2,238	138	-	-	-	-	-	-	2,285	837
Personnel - payroll	(131)	-	-	-	-	-	-	274,441	1,894	-	-	202	166	-	-	346,434	306,638
Postage	605	-	22	-	-	-	-	170	-	-	-	407	-	-	-	3,254	4,139
Printing and reproductions	652	-	60	-	-	-	-	2,050	-	-	-	-	-	-	-	6,278	7,570
Professional fees	550	-	12	-	-	-	-	4,331	81	-	-	5	1,149	-	-	20,929	23,459
Public relations	80	-	-	-	-	-	-	18,796	1,571	-	-	-	-	-	-	517	4,550
Repairs and maintenance	377	-	101	-	-	-	-	318	119	-	-	-	-	-	-	1,800	1,800
Staff training	215	-	-	-	-	-	-	807	144	-	-	-	-	-	-	1,022	898
Telephone	761	-	220	-	-	-	-	2,195	27	-	-	-	-	-	-	3,203	2,791
Travel	488	-	-	-	-	-	-	5,238	17	-	-	-	-	-	-	5,743	5,337
Volunteer recognition	51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51	27
Total Administrative and General Expenses	101,438	-	2,549	-	-	-	-	419,775	7,178	-	-	254	1,807	-	-	533,001	490,269
Total Expenses	519,524	254,236	2,549	1,139,354	351,592	12,713	31,425	419,775	318,361	141,890	69,853	254	1,807	-	-	3,263,333	2,870,519
Increase (Decrease) in Net Assets	152	-	-	-	-	-	-	(9,325)	(138)	-	-	-	-	9,486	2,500	2,675	(1,139)
Net Assets, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-	-	170,306	925	171,231	172,370
Transfers	(152)	-	-	-	-	-	-	9,325	138	-	-	-	-	(5,886)	(3,425)	-	-
Net Assets, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,906	\$ -	\$ 173,906	\$ 171,231

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
SCHEDULE OF TITLE III-B SUBGRANTEE EXPENSES
SUPPORTIVE SERVICES

	Year Ended September, 30	
	2010	2009
Access:		
Centro Las Americas	\$ 25,306	\$ 25,306
Great Brook Valley Health Center - Medical Transport	5,000	5,000
Leominster Spanish American Center	29,757	29,757
Vision Community Services	2,980	3,000
Total Access	63,043	63,063
In-Home Services:		
Central Mass Housing Alliance - Home Repair	54,400	54,400
Elder Services of Worcester Area, Inc. - Crisis Intervention	23,140	23,140
Elder Services of Worcester Area, Inc. - Financial Management	8,706	8,706
Montachusett Home Care - Crisis Intervention	23,480	23,480
Montachusett Home Care - Financial Management	10,002	15,406
Montachusett Opportunity Council - Home Repair	24,433	29,441
Tri-Valley Elder Services Inc. - Crisis Intervention	26,000	26,000
Tri-Valley Elder Services Inc. - Financial Management	9,418	7,091
Total In-House Services	179,579	187,664
Legal Services:		
Jewish Family Services - Guardianship Program	48,658	48,660
Legal Assistance Corporation	119,806	115,000
Total Legal Services	168,464	163,660
Senior Centers and Other Programs:		
N.E. Homes for the Deaf	7,000	6,592
Total Title III-B - Subgrantee Expense	\$ 418,086	\$ 420,979

See auditors' report

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
Schedule of Revenues by Program
For the Year Ended September 30, 2010
With Comparative Totals for 2009

	Supportive Services	Ombudsman Services	S.H.I.N.E. Program	Nutrition Program	N.S.I.P.	Medication Management	Disease Prevention	Admin. Support Planning	Caregiver Support	ARRA Congregate Meals	ARRA Home Delivered	POMP	Fundraising	Corporate	Temporarily Restricted Net Assets	Total all Funds	
																2010	2009
Federal Grants - Exec. Office of Elders Affairs:																	
Title III - A	\$ 7,774	\$ -	\$ 2,549	\$ -	\$ -	\$ -	\$ -	\$ 306,585	\$ -	\$ -	-	7	-	\$ -	\$ -	\$ 316,915	\$ 297,913
Title III - B	511,902	254,236	-	-	-	-	-	84,684	-	-	-	-	-	-	-	850,822	833,605
Title III - C	-	-	-	1,139,354	-	-	-	-	-	-	-	-	-	-	-	1,139,354	1,113,850
Title III - D	-	-	-	-	-	12,713	31,425	-	-	-	-	-	-	-	-	44,138	41,195
Title III - E	-	-	-	-	-	-	-	-	318,223	-	-	-	-	-	-	318,223	286,389
N.S.I.P.	-	-	-	-	351,592	-	-	-	-	-	-	-	-	-	-	351,592	265,927
ARRA Congregate Meals	-	-	-	-	-	-	-	-	-	141,890	-	-	-	-	-	141,890	-
ARRA HDW	-	-	-	-	-	-	-	-	-	-	69,853	-	-	-	-	69,853	-
POMP	-	-	-	-	-	-	-	-	-	-	-	247	-	-	-	247	-
Foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	4,925	-	-	-	-	1,807	-	-	9,232	8,223
Interest earned	-	-	-	-	-	-	-	381	-	-	-	-	-	-	-	381	719
Other revenue	-	-	-	-	-	-	-	112	-	-	-	-	-	-	-	112	-
In-kind contributions	-	-	-	-	-	-	-	13,763	-	-	-	-	-	-	-	13,763	20,005
Unrealized (loss) gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	7,572	-	7,572	(264)
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,914	-	1,914	1,818
Total Revenue Available	519,676	254,236	2,549	1,139,354	351,592	12,713	31,425	410,450	318,223	141,890	69,853	254	1,807	9,486	2,500	3,266,008	2,869,380
Net assets released from restrictions Satisfied by Payments	-	-	-	-	-	-	-	2,500	-	-	-	-	-	-	(2,500)	-	-
Total Revenues	\$ 519,676	\$ 254,236	\$ 2,549	\$ 1,139,354	\$ 351,592	\$ 12,713	\$ 31,425	\$ 412,950	\$ 318,223	\$ 141,890	\$ 69,853	\$ 254	\$ 1,807	\$ 9,486	\$ -	\$ 3,266,008	\$ 2,869,380

See auditors' report

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Type Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services: Pass-Through - Commonwealth of Massachusetts, Executive Office of Elder Affairs				
Nutrition Services Incentive Program	A*	93.053	CT ELD 0366 FFY09cenmastiti3nsip	\$ 351,592
ARRA - Aging Home-Delivered Nutrition Services for States	A*	93.705	CT ELD 0366 ARRAHOMEMEALS CNMASS	69,853
ARRA - Aging Congregate Nutrition Services for States	A*	93.707	CT ELD 0366 ARRA CONGMEALS SCENMASS	141,890
Special Programs for the Aging Title III, Part B - Grants for Supportive Services and Senior Centers	A*	93.044	CT ELD 0366 FFY09cenmastiti3nsip	913,501
Special Programs for the Aging Title III, Part C - Nutrition Services	A*	93.045	CT ELD 0366 FFY09cenmastiti3nsip	<u>1,139,354</u>
Aging Cluster Total				<u>2,616,190</u>
National Family Caregiver Support Program Title III, Part E	A*	93.052	CT ELD 0366 FFY09cenmastiti3nsip	318,223
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	B	93.043	CT ELD 0366 FFY09cenmastiti3nsip	44,138
Special Programs for the Aging Title IV and Title II Discretionary Projects	B	93.048	CT ELD 0366 Pomcontract10cenmas	247
Special Programs for the Aging Title VII Ch. 2 - Long-Term Care Ombudsman Services for Older Individuals	B	93.042	CT ELD 0366 FFY09cenmastiti3nsip	<u>254,236</u>
Total Expenditures of Federal Awards \$				<u><u>3,233,034</u></u>

* Denotes Major Program

See auditors' report and attached notes to schedule of federal awards

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2010

A. Basis of Preparation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Central Massachusetts Agency on Aging, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. Subrecipients:

Central Massachusetts Agency on Aging, Inc. provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Special Programs for the Aging Title VII Ch. 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	\$ 254,236
Special Programs for the Aging Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	418,086
Special Programs for the Aging Title III, Part C - Nutrition Services	93.045	1,139,354
Special Programs for the Aging Title III, Part D - Disease Prevention and Health Promotion Services	93.043	44,138
National Family Caregiver Support Program Title III Part E	93.052	311,183
Nutrition Services Incentive Program	93.053	351,592
ARRA - Aging Home-Delivered Nutrition Services for States	93.705	69,853
ARRA - Aging Congregate Nutrition Services for States	93.707	<u>141,890</u>
		<u>\$ 2,730,332</u>

Bruce D. Norling, CPA, P.C.

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

To the Board of Directors of
Central Massachusetts Agency on Aging, Inc.
West Boylston, Massachusetts

We have audited the financial statements of Central Massachusetts Agency on Aging, Inc. as of and for the year ended September 30, 2010, and have issued our report thereon dated January 4, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CMAA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CMAA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CMAA's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CMAA's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and the Operational Services Division of the Commonwealth of Massachusetts Executive Office for Administration and Finance and is not intended to be and should not be used by anyone other than these specified parties.

Bruce D. Norling, CPA, P.C.

January 4, 2011

Bruce D. Norling, CPA, P.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENT THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVERCOMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Central Massachusetts Agency on Aging, Inc.
West Boylston, Massachusetts

Compliance

We have audited Central Massachusetts Agency on Aging, Inc. (CMAA) 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 CMAA's major federal programs for the year ended September 30, 2010. CMAA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of CMAA's management. Our responsibility is to express an opinion on CMAA's compliance based on our audit.

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 in 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 Organizations. 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 CMAA'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. Our audit does not provide a legal determination of CMAA's compliance with those requirements.

In our opinion, CMAA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of CMAA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered CMAA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 CMAA'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management, federal awarding agencies, and the Operational Services Division of the Commonwealth of Massachusetts Executive Office for Administration and Finance and is not intended to be and should not be used by anyone other than these specified parties

Bruce D. Norling, CPA, P.C.

January 4, 2011

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Central Massachusetts Agency on Aging, Inc. ("CMAA").
2. No instances of noncompliance material to the basic financial statements of CMAA were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for CMAA expresses an unqualified opinion.
4. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
5. The programs tested as major programs were:
 - U.S. Department of Health and Human Services
 - National Family Caregiver Support Program Title III, Part E (CFDA # 93.052)
 - Aging Cluster:
 - Special Programs for Aging Title III, Part B – Grants for Supportive Services and Senior Centers (CFDA #93.044)
 - Special Programs for Aging Title III, Part C – Nutrition Services (CFDA #93.045)
 - Nutrition Services Incentive Program (CFDA #93.053)
 - ARRA – Aging Congregate Nutrition Services (CFDA #93.707)
 - ARRA – Aging Home-Delivered Nutrition Services (CFDA #93.705)
6. The threshold for distinguishing Types A and B programs was \$300,000. Type A programs are those that exceed \$300,000.
7. CMAA was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT – NONE

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS – NONE

CENTRAL MASSACHUSETTS AGENCY ON AGING, INC.

Summary of Prior Audit Findings Year Ended September 30, 2010

2009-1 Special Programs for the Aging Title III, Part B – Grants for Supportive Services and Senior Centers

Matching Requirement:

Central Massachusetts Agency on Aging, Inc. is required under Section 304(d)(1)(A) of the Older Americans Act of 1965, as amended, to provide a twenty-five percent (25%) match of their Federal Title III Funding for the cost of administering the area plans. For the year ended September 30, 2009 CMAA was deficient in their match by \$59,154.

Management Response:

Management is well aware of the expectation to have a 25% non-federal match for Older Americans Act Title III A funding. Central Massachusetts Agency on Aging, Inc. continues its annual appeal, and looks to be creative in other fundraising arenas. It should be noted, however, that as a pass-through for federal funds, Central Massachusetts Agency on Aging, Inc. does not have a high profile, and is thus handicapped in these efforts.

Current Status:

The March 2010 A-133 Compliance Supplement indicates that Area Agencies, in the aggregate, must contribute at least 25% of the cost of administration of area plans. Since this match is computed based on the aggregate of all Area Agencies in the State, this test of the amount of match is performed at the State Agency. Therefore, this is no longer considered a finding.