



MINUTEMAN SERVICES, INC.

Financial Statements

and

Independent Auditors' Report

June 30, 2012 with Restated Comparative Totals for 2011



Daniel Dennis & Company LLP

Certified Public Accountants

Dedham Executive Center

990 Washington Street, Suite 308A

Dedham, MA 02026

(617) 262-9898

FAX: (617) 437-9937

Web Site: <http://www.danieldennis.com>

MINUTEMAN SENIOR SERVICES, INC.

Contents

	<i>Page</i>
Independent Auditors' Report	1
Combining Statement of Financial Position	3
Combining Statement of Activities	4
Combining Statement of Functional Expenses	5
Combining Statement of Cash Flows	6
Notes to Combining Financial Statements	7
Supplemental Information	20



Daniel Dennis & Company LLP

Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Minuteman Senior Services, Inc.

We have audited the accompanying combining statement of financial position of Minuteman Senior Services, Inc. (Minuteman) as of June 30, 2012, and the related combining statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Minuteman'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 Minuteman's fiscal year 2011 financial statements. The financial statements of Minuteman as of June 30, 2011 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated January 4, 2012.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Minuteman's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 combining financial statements referred to above present fairly, in all material respects, the financial position of Minuteman Senior Services, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Minuteman functional activity beginning on page 20 is presented for purposes of additional analysis and 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.

A handwritten signature in black ink that reads "Paul Jones & Company LLP". The signature is written in a cursive, flowing style.

November 13, 2012

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Financial Position
June 30, 2012 with Restated Comparative Totals for 2011

	MINUTEMAN	CHNA 15	ELIMINATIONS	2012 COMBINED TOTAL	2011 COMBINED TOTAL
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 768,241	\$ 601,279	\$ -	\$ 1,369,520	\$ 1,498,896
Accounts receivable, net of allowance	1,058,614	-	-	1,058,614	1,210,226
Grants and contributions receivable	63,000	4,041	-	67,041	75,958
Prepaid expenses	41,642	-	-	41,642	69,185
Total current assets	<u>1,931,497</u>	<u>605,320</u>	<u>-</u>	<u>2,536,817</u>	<u>2,854,265</u>
FIXED ASSETS					
Furniture and equipment	327,090	-	-	327,090	295,614
Leasehold improvements	30,098	-	-	30,098	-
Total	357,188	-	-	357,188	295,614
Less: accumulated depreciation	(80,585)	-	-	(80,585)	(241,035)
Net fixed assets	<u>276,603</u>	<u>-</u>	<u>-</u>	<u>276,603</u>	<u>54,579</u>
OTHER ASSETS					
Security deposit	17,353	-	-	17,353	17,353
Computer software - net	1,417	-	-	1,417	8,865
Total other assets	<u>18,770</u>	<u>-</u>	<u>-</u>	<u>18,770</u>	<u>26,218</u>
Total assets	<u>\$ 2,226,870</u>	<u>\$ 605,320</u>	<u>\$ -</u>	<u>\$ 2,832,190</u>	<u>\$ 2,935,062</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 620,590	\$ 4,225	\$ -	\$ 624,815	\$ 775,673
Accrued expenses	334,949	-	-	334,949	163,064
Grants and scholarships payable	-	-	-	-	42,090
EOEA Mitigation Plan payable	46,771	-	-	46,771	-
Capital lease obligation, current portion	8,857	-	-	8,857	-
Total current liabilities	<u>1,011,167</u>	<u>4,225</u>	<u>-</u>	<u>1,015,392</u>	<u>980,827</u>
LONG-TERM DEBT					
Capital lease obligation	28,213	-	-	28,213	-
Total liabilities	<u>1,039,380</u>	<u>4,225</u>	<u>-</u>	<u>1,043,605</u>	<u>980,827</u>
NET ASSETS					
Unrestricted					
Designated	164,954	-	-	164,954	57,004
Undesignated	959,536	601,095	-	1,560,631	1,892,231
Total unrestricted net assets	1,124,490	601,095	-	1,725,585	1,949,235
Temporarily restricted	63,000	-	-	63,000	5,000
Total net assets	<u>1,187,490</u>	<u>601,095</u>	<u>-</u>	<u>1,788,585</u>	<u>1,954,235</u>
Total liabilities and net assets	<u>\$ 2,226,870</u>	<u>\$ 605,320</u>	<u>\$ -</u>	<u>\$ 2,832,190</u>	<u>\$ 2,935,062</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Activities
For the Year Ended June 30, 2012 with Restated Comparative Totals for 2011

CHANGES IN UNRESTRICTED NET ASSETS	MINUTEMAN	CHNA 15	ELIMINATIONS	2012 COMBINED TOTAL	2011 COMBINED TOTAL
REVENUE AND SUPPORT					
Grants and contributions	\$ 439,170	\$ 530	\$ -	\$ 439,700	\$ 1,535,233
Contract revenue	9,877,621	-	(13,202)	9,864,419	10,135,628
Client fees	449,544	-	-	449,544	341,946
Interest	-	726	-	726	1,635
Other	8,753	-	-	8,753	15,069
Net assets released from restrictions	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total revenue and support	<u>10,780,088</u>	<u>1,256</u>	<u>(13,202)</u>	<u>10,768,142</u>	<u>12,029,511</u>
EXPENSES					
PROGRAM SERVICES					
Home Care	8,217,824	-	-	8,217,824	7,873,366
Community Support	1,081,278	-	-	1,081,278	1,320,164
Community Health	159,065	123,015	-	282,080	358,287
Elderly Nutrition	215,672	-	-	215,672	241,949
Services in the Community	89,637	-	-	89,637	54,481
Money Management and Protective Services	<u>480,994</u>	<u>-</u>	<u>-</u>	<u>480,994</u>	<u>452,815</u>
Total program services	<u>10,244,470</u>	<u>123,015</u>	<u>-</u>	<u>10,367,485</u>	<u>10,301,062</u>
SUPPORTING SERVICES					
Management and general	499,348	13,202	(13,202)	499,348	486,187
Fundraising	<u>100,634</u>	<u>-</u>	<u>-</u>	<u>100,634</u>	<u>79,931</u>
Total supporting services	<u>599,982</u>	<u>13,202</u>	<u>(13,202)</u>	<u>599,982</u>	<u>566,118</u>
Total expenses	<u>10,844,452</u>	<u>136,217</u>	<u>(13,202)</u>	<u>10,967,467</u>	<u>10,867,180</u>
Change in unrestricted net assets	<u>(64,365)</u>	<u>(134,961)</u>	<u>-</u>	<u>(199,326)</u>	<u>1,162,331</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Grants and contributions	63,000	-	-	63,000	5,000
Net assets released from restrictions	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Change in temporarily restricted nets assets	<u>58,000</u>	<u>-</u>	<u>-</u>	<u>58,000</u>	<u>5,000</u>
Change in net assets before EOEA Mitigation					
Plan transfer	<u>(6,365)</u>	<u>(134,961)</u>	<u>-</u>	<u>(141,326)</u>	<u>1,167,331</u>
OTHER CHANGES IN NET ASSETS					
EOEA Mitigation Plan transfer	<u>24,324</u>	<u>-</u>	<u>-</u>	<u>24,324</u>	<u>-</u>
Change in net assets	<u>(30,689)</u>	<u>(134,961)</u>	<u>-</u>	<u>(165,650)</u>	<u>1,167,331</u>
Net assets, beginning of year, as previously reported	<u>1,218,179</u>	<u>-</u>	<u>-</u>	<u>1,218,179</u>	<u>786,904</u>
Prior period adjustment	<u>-</u>	<u>736,056</u>	<u>-</u>	<u>736,056</u>	<u>-</u>
Net assets, beginning of year, as restated	<u>1,218,179</u>	<u>736,056</u>	<u>-</u>	<u>1,954,235</u>	<u>786,904</u>
Net assets, end of year	<u>\$ 1,187,490</u>	<u>\$ 601,095</u>	<u>\$ -</u>	<u>\$ 1,788,585</u>	<u>\$ 1,954,235</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Functional Expenses
For the Year Ended June 30, 2012 with Summarized Restated Comparative Totals for 2011

DESCRIPTION	MINUTEMAN				CHNA 15				ELIMINATIONS	2012 COMBINED TOTAL	2011 COMBINED TOTAL
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL				
Employee compensation and related expenses	\$ 3,426,944	\$ 354,689	\$ 71,630	\$ 3,853,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,853,263	\$ 3,411,959
Occupancy	262,252	11,358	9,286	282,896	-	-	-	-	-	282,896	390,855
Other program/ operating expense	313,570	2,346	246	316,162	41,782	-	41,782	-	-	357,944	1,333,616
Subcontract expense	6,120,212	-	-	6,120,212	-	-	-	-	-	6,120,212	5,502,775
Direct administrative expense	24,065	61,548	2,415	88,028	-	-	-	-	-	88,028	44,215
Other expenses	97,427	26,727	17,057	141,211	81,233	13,202	94,435	(13,202)	-	222,444	149,049
Depreciation	-	42,680	-	42,680	-	-	-	-	-	42,680	34,711
Total expenses	<u>\$ 10,244,470</u>	<u>\$ 499,348</u>	<u>\$ 100,634</u>	<u>\$ 10,844,452</u>	<u>\$ 123,015</u>	<u>\$ 13,202</u>	<u>\$ 136,217</u>	<u>\$ (13,202)</u>		<u>\$ 10,967,467</u>	<u>\$ 10,867,180</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Cash Flows
For the Year Ended June 30, 2012 with Restated Comparative Totals for 2011

	MINUTEMAN	CHNA 15	ELIMINATIONS	2012 COMBINED TOTAL	2011 COMBINED TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets before Mitigation Plan transfer	\$ (6,365)	\$ (134,961)	\$ -	\$ (141,326)	\$ 1,167,331
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation and amortization	42,680	-	-	42,680	34,711
EOEA Mitigation Plan payable	46,771	-	-	46,771	-
(Increase)/decrease in operating assets					
Accounts receivable	127,288	-	-	127,288	(312,092)
Grants and contributions receivable	(63,009)	71,926	-	8,917	(75,958)
Prepaid expenses	27,543	-	-	27,543	3,128
Increase/(decrease) in operating liabilities					
Accounts payable	(139,081)	(11,777)	-	(150,858)	7,612
Accrued expenses	171,885	-	-	171,885	(123,039)
Grants and scholarships payable	-	(42,090)	-	(42,090)	42,090
Net cash provided by (used in) operating activities	<u>207,712</u>	<u>(116,902)</u>	<u>-</u>	<u>90,810</u>	<u>743,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets	<u>(220,186)</u>	<u>-</u>	<u>-</u>	<u>(220,186)</u>	<u>(39,321)</u>
Net cash used in investing activities	<u>(220,186)</u>	<u>-</u>	<u>-</u>	<u>(220,186)</u>	<u>(39,321)</u>
Net (decrease) increase in cash and cash equivalents	<u>(12,474)</u>	<u>(116,902)</u>	<u>-</u>	<u>(129,376)</u>	<u>704,462</u>
Cash and cash equivalents, beginning of year	780,715	718,181	-	1,498,896	794,434
Cash and cash equivalents, end of year	<u>\$ 768,241</u>	<u>\$ 601,279</u>	<u>\$ -</u>	<u>\$ 1,369,520</u>	<u>\$ 1,498,896</u>
SUPPLEMENTAL CASH FLOW INFORMATION					
Property and equipment financed under a capital lease	<u>\$ 37,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,070</u>	<u>\$ -</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements
June 30, 2012 with Restated Comparative Totals for 2011

1. NATURE OF ACTIVITIES

The combining financial statements include the accounts of Minuteman Senior Services, Inc. (Minuteman) and Community Health Network Areas (CHNA) 15), an unincorporated association of health improvement partners, of which Minuteman is its fiscal sponsor. Since CHNA 15 is an unincorporated association and not a legal entity, its activities are reported in Minuteman's financial statements. All intercompany transactions have been eliminated in the combination.

MINUTEMAN

Minuteman is a Massachusetts not-for-profit organization that offers home care and related services enabling people to live independently and comfortably in their homes while promoting their well-being and dignity. Minuteman's mission is to help seniors and people with disabilities live in the setting of their choice by engaging community resources and supporting caregivers and is a designated Massachusetts Aging Services Access Point (ASAP). Many Minuteman services are free, others are based on one's ability to pay, and some are offered on a fee-for-service basis.

Located in Bedford, Massachusetts, Minuteman provides innovative and high quality solutions to eldercare issues for residents of the following communities: Acton, Arlington, Bedford, Boxborough, Burlington, Carlisle, Concord, Harvard, Lexington, Lincoln, Littleton, Maynard, Stow, Wilmington, Winchester and Woburn. As part of a statewide and national networks Minuteman is able to help seniors and families find resources both locally and long distance. Minuteman offers the following major programs:

- *Home Care* - The Home Care program provides home-based services to elders so they can maintain their independence and live at home.
- *Community Support* – These services are funded through the Older Americans Act, and include supportive services for health, information, referral, transportation, legal services and caregivers as well as supportive services for individuals residing in nursing homes.
- *Community Health* - These programs meet diverse health needs in the community, including mental health. Several programs are collaborations with partner agencies. The Healthy Aging initiative includes a number of evidence-based programs for older adults, caregivers and people with disabilities
- *Elderly Nutrition Program* - The Elderly Nutrition Program is a federal and state funded nutrition program that allows local elderly agencies to provide nutritious meals to senior citizens. Meals are provided at congregate meal sites and through home-delivered meals to senior citizens (age 60 or older) and handicapped or disabled people under age 60 who live in housing facilities occupied primarily by the elderly where congregate meals are served.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

1. NATURE OF ACTIVITIES (CONTINUED)

MINUTEMAN (CONTINUED)

- *Services in the Community* - In cooperation with the local housing authorities, Minuteman operates congregate and supportive housing sites. Congregate housing is an arrangement of private apartments with shared living and activity space. Supportive housing provides an assisted-living-like environment while maintaining an elder's independence.
- *Money Management and Protective Services* - Money Management and Protective Services promotes prolonged independent living for low-income elders by providing financial, physical and emotional support through the dedication and support of volunteers.

Minuteman and its programs are funded in whole or in part by contracts with the Massachusetts Executive Office of Elder Affairs (EOEA), funds from the Older Americans Act, and grants and contributions from businesses, foundations and individuals.

CHNA 15

CHNA 15 is one of 27 community health network areas in Massachusetts created by the Massachusetts Department of Public Health (DPH) in 1992. The CHNAs are an initiative to improve health through local collaborations. CHNA 15 is a an unincorporated association of many health improvement partners including the Massachusetts Department of Public Health, the Regional Center for Healthy Communities, residents, hospitals, local service agencies, schools, businesses, boards of health, and other concerned citizens who are working together to identify the health needs of member communities, find ways to address those needs, and improve the health of the community. CHNA 15 is active in Acton, Bedford, Boxborough, Burlington, Carlisle, Concord, Lexington, Lincoln, Littleton, Wilmington, Winchester, and Woburn. Since CHNA 15 is not a legal entity, its activities are reported Minuteman's financial statements.

CHNA 15's activities are funded by grants and contributions from local hospitals, businesses, and individuals. All CHNA 15 funds are required to be and are being held in separate Minuteman cash accounts designated as "fiscal agent" accounts for CHNA 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the major accounting policies followed by Minuteman in the preparation of the accompanying financial statements is set forth below.

BASIS OF ACCOUNTING

Minuteman prepares its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenue is recorded when earned and expenses when goods are received or services rendered.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH EQUIVALENTS

For purposes of the statement of cash flows, Minuteman considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

REVENUE

Minuteman operates its programs under various unit rate and cost reimbursement contracts with the EOEA and third party payor agreements with health maintenance organizations and preferred provider organizations. Revenue on unit rate agreements is generated by billing units of service delivered to pre-approved and covered individuals. Revenue on unit rate contracts is recognized as services are provided and is recorded at the estimated net realizable amounts. Revenue recognition under cost reimbursement contracts equals expenses up to allowable contract limits. Any excess or deficit of revenue received over expenses billed is carried as a liability (deferred revenue, if contract term extends beyond the fiscal year end, or due to Commonwealth of Massachusetts, if the contract has ended) or as an asset (accounts receivable up to the contract limit, if allowable expenses were incurred).

Minuteman is subject to the regulations and rate formulas of the Commonwealth of Massachusetts' Operational Services Division (OSD) and EOEA. As such, any excess of revenue over expenses from Commonwealth of Massachusetts' (the Commonwealth) unit rate contracts, up to certain defined limits, can be utilized by Minuteman for expenditures in accordance with its exempt purpose, provided such expenditures are reimbursable under the OSD and EOEA regulations.

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of allowance for doubtful accounts. Minuteman's periodic evaluation of the adequacy of the allowance is based on past experience. Accounts receivable are charged off when deemed uncollectible.

NET ASSETS CLASSIFICATION

Net assets of Minuteman are classified into three categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted Net Assets* - Net assets that are not subject to donor imposed stipulations.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS CLASSIFICATION (CONTINUED)

- *Temporarily Restricted Net Assets* - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of Minuteman and/or the passage of time.

- *Permanently Restricted Net Assets* - Net assets subject to donor imposed stipulations that Minuteman permanently maintain certain contributed assets. Permanent restrictions do not pass with the expiration of time, nor can they be removed through Minuteman's actions. At June 30, 2012 and 2011, Minuteman had no permanently restricted net assets.

Net assets accumulated from the Home Care Purchase Services and Enhanced Purchase Services (POS) Programs are calculated in accordance with EOEAs, PI 93-20 "Surplus Funds Policy". The policy requires the use of any surplus generated within these programs to be utilized within these programs, unless specific approval is obtained from EOEAs. These assets are segregated in the accounting records as "designated" net assets within the unrestricted category of net assets. EOEAs authorized transfer of designated POS assets to other ASAPs are reported as other changes in net assets on the Statement of Activities.

For the years June 30, 2012 and 2011, EOEAs instructed Minuteman to make POS net asset transfers totaling \$46,771 and \$0, respectively, to other ASAPs. The unpaid transfers have been recorded as a liability on the Statement of Financial Position.

FIXED ASSETS

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose or require that it be maintained for a specific amount of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Minuteman reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Minuteman reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased fixed assets are carried at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are charged to operations. Betterments, renewals, and purchases of more than \$1,000 are capitalized.

COMPUTER SOFTWARE

Computer software is being amortized using the straight-line method over three years. Amortization expense was \$7,448 for both fiscal years 2012 and 2011. Amortization expense for 2013 is estimated to be \$1,417.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS AND CONTRIBUTIONS

Grants and contributions from businesses, foundations, and individuals are recognized when the donor makes a promise to give to Minuteman that is, in substance, unconditional. Conditional grants and contributions are recognized when the conditions on which they depend are substantially met. Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the grants and contributions are recognized. All other donor-restricted grants contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Minuteman uses the allowance method to determine uncollectible unconditional grants and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2012, all of the outstanding promises to give were due within one year.

IN-KIND CONTRIBUTIONS

Minuteman receives donated materials and services in support of its programs. Donated space, materials and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if they were not donated, are recorded as in-kind contributions in the financial statements. Donated services such as fund-raising, clerical assistance, or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

GRANT AND SCHOLARSHIPS EXPENSE

Annually CHNA 15 offers grants to local organizations as well as individual and agency professional development scholarships. Grants and scholarships are recorded as a liability when they have been approved by the CHNA 15 Steering Committee. All grants and scholarships are payable within one year from when they are approved.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2011 financial statement presentation to correspond to the current year's format.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUMMARIZED COMPARATIVE 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 U.S. GAAP. Accordingly, such information should be read in conjunction with Minuteman’s financial statements for the year ended June 30, 2011, from which the summarized information was derived.

The summarized comparative information has been restated to correct reporting errors made in 2011 with respect to CHNA 15 activity.

INCOME TAXES

Minuteman is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which there was none for the years ended June 30, 2012 and 2011, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provisions for income taxes.

Minuteman evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the “more-likely-than-not” threshold, along with accrued interest and penalties thereon, would be recorded as an expense in the financial statements. Minuteman has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2012 returns and believe they are more-likely-than-not of being sustained if examined by Federal or state tax authorities. Minuteman’s 2009 through 2011 tax years remain subject to examination by Federal and state tax authorities.

3. ACCOUNTS RECEIVABLE

At June 30, 2012 and 2011, accounts receivable consisted of the following:

	<i>2012</i>	<i>2011</i>
Commonwealth of Massachusetts - EOEAs	\$ 1,043,050	\$ 1,158,305
Other receivables	17,236	51,921
Less allowance for doubtful accounts	<u>(1,672)</u>	<u>-</u>
Net accounts receivable	<u>\$ 1,058,614</u>	<u>\$ 1,210,226</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

4. IN-KIND CONTRIBUTIONS

Minuteman receives donated services and facilities from several sources. Minuteman's sub-grantees contribute services and the use of facilities through in-kind match. Meal site workers contribute their services to the Nutrition Program, and a number of meal sites are provided rent free to the program. The value of these donated facilities and program services could not be determined. Therefore, they are not recorded in the accompanying combining financial statements.

Minuteman also receives contributions from unpaid volunteers in support of its programmatic functions. These in-kind contributions are not recorded in the financial statements because they were not services that (a) created or enhanced a nonfinancial asset or (b) required specialized skills, were provided by individuals possessing those skills, and would have needed to be purchased if they were not donated.

5. RELATED PARTY TRANSACTION

Minuteman has paid membership dues to Massachusetts Association of Home Care/Area Agencies on Aging, Inc. (the "Association") which oversees and lobbies for services for the elderly. The President of the Board of Members and the Executive Director of the Minuteman are members of the board of directors of the Association. The aggregate of the dues paid is not significant to the financial statements.

6. PENSION PLANS

Minuteman has a defined contribution money purchase pension plan that qualifies under Internal Revenue Code Section 401(a) and a 403(b) retirement plan. The money purchase pension plan provides retirement benefits for employees who work at least 17.5 hours a week by contributing 4% of the employee's gross wages to the plan. The amounts contributed are immediately vested for employees hired prior to July 7, 1993. Employees hired on or after July 7, 1993 must wait one year before they can participate in the plan. During the year ended June 30, 2009, the Minuteman's pension contribution was suspended after the December 31, 2008 contribution. The 403(b) plan covers substantially all employees and provides for employee elected tax deferred contributions. There were no retirement benefit contributions charged to operations for the years ended June 30, 2012 and 2011.

7. LEASE COMMITMENTS

OPERATING LEASES

During fiscal years 2012 and 2011, Minuteman leased office space under a 10-year noncancelable operating lease that was scheduled to expire on June 30, 2013. However, with the landlord's consent, the lease was terminated early on June 30, 2012. Rent expense was \$258,884 and \$253,297, respectively, for fiscal years 2012 and 2011.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

7. LEASE COMMITMENTS (CONTINUED)

OPERATING LEASES (CONTINUED)

On June 29, 2012, Minuteman entered into a 10-year, 10 month, noncancelable operating lease for office space that expires in April 2023. The lease provides for monthly rent payments, beginning May 2013, plus additional annual rent for its proportionate share of real estate taxes and other operating costs. Minuteman has the option to extend the lease for five additional years at the end of the original lease term.

Pursuant to the terms of the lease, Minuteman secured an irrevocable standby letter of credit in the amount of \$104,000 to serve as a security deposit on the lease.

The minimum future rental payments required under the office lease for each of the next five years and thereafter are as follows:

<i>Year Ending</i>		<i>Amount</i>
<i>June 30,</i>		
2013	\$	50,339
2014		302,031
2015		318,357
2016		318,357
2017		334,683
Thereafter		<u>2,077,483</u>
Total	\$	<u>3,401,250</u>

CAPITAL LEASES

Minuteman leases office equipment under leases which expire at various dates through 2017. The leases qualified as capital leases and, accordingly, the assets and liabilities were recorded at the present value of the minimum lease payments over the term of the leases. Amortization of these assets is recorded in depreciation expense. Depreciation expense was \$5,341 and \$0, respectively, for the years ended June 30, 2012 and 2011.

Future minimum lease payments under the capital leases as of June 30, 2012 are as follows:

<i>Year Ending</i>	<i>Amount</i>
<i>June 30,</i>	
2013	\$ 14,027
2014	14,027
2015	14,027
2016	3,599
2017	<u>3,600</u>
Total minimum lease payments	49,280
Less: amount representing interest	<u>12,210</u>
Present value of net minimum lease payments	<u>37,070</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

8. LINES OF CREDIT

At June 30, 2012 and 2011, Minuteman had an unused \$250,000 demand line of credit. The line of credit is renewable annually subject to no materially adverse change occurring in Minuteman's business. Any outstanding balance on the credit line will incur interest at the bank's prime rate, plus 1 ³/₄%. The line of credit is collateralized by all business assets.

At June 30, 2012, pursuant to the terms of its office space lease agreement, Minuteman had a \$104,000 unused standby demand letter of credit agreement that serves as its security deposit. The letter of credit expires on September 20, 2013, and automatically renewable for one year terms, unless canceled by the bank, until July 31, 2023. Any outstanding balance on the credit line will incur interest at the bank's prime rate, plus 1 ³/₄%.

9. DESIGNATED AND RESTRICTED NET ASSETS

DESIGNATED UNRESTRICTED NET ASSETS

The following is a summary of the designated unrestricted net assets at June 30, 2012 and 2011:

	<i>2012</i>	<i>2011</i>
Designated net assets, beginning of year	\$ 57,004	\$ 62,235
Surplus	246,293	90,136
EOEA Mitigation Plan transfer	(24,324)	-
Surplus funds policy 3% transfer	<u>(114,019)</u>	<u>(95,367)</u>
Designated net assets, end of year	<u>\$ 164,954</u>	<u>\$ 57,004</u>

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2012 and 2011 are available for the following uses:

<i>Restriction</i>	<i>2012</i>	<i>2011</i>
General operations	\$ 63,000	\$ -
Community Health	<u>-</u>	<u>5,000</u>
Total	<u>\$ 63,000</u>	<u>\$ 5,000</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

10. COMMITMENTS AND CONTINGENCIES

GRANT COMMITMENTS

Minuteman has entered into sub awards with other agencies under the Title III-B Grants for Supportive Services. These commitments approximated \$65,000 and \$68,000 respectively, for the years ended June 30, 2012 and 2011.

GOVERNMENT CONTRACTS

The expenses reflected in the accompanying financial statements relating to EOEAs contracts are subject to review by EOEAs and OSD. The possible disallowance of any items recorded as contract costs or recovery for overbilling cannot be determined at this time. However, management does not believe that any such disallowance would be material to Minuteman's financial statements. Accordingly, no provision for any liability that may result has been recorded in the financial statements.

11. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

REVENUE, SUPPORT, AND ACCOUNTS RECEIVABLE

During 2012 and 2011, EOEAs contracts provided 86% and 88%, respectively, of Minuteman's total revenue and support and represented 99% and 96%, respectively, of the accounts receivable at year end.

CREDIT RISK

Minuteman maintains its cash accounts at two financial institutions. Non-interest bearing accounts at the institutions are fully insured by the Federal Deposit Insurance Corporation and interest bearing accounts are insured up to \$250,000. Minuteman's uninsured balances totaled \$262,360 and \$161,633, respectively, at June 30, 2012 and 2011.

12. SUBSEQUENT EVENTS

Minuteman has evaluated subsequent events through November 13, 2012, which is the date the financial statements were available to be issued.

13. SURPLUS REVENUE RETENTION (SRR)

Per the Commonwealth's Surplus Revenue Retention Policy, Minuteman is entitled to retain an annual surplus up to five percent (5%) of total revenues attributable or generated by Commonwealth agreements to further its charitable purpose. The cumulative surplus amount, which can be retained, may not in total exceed twenty (20%) of its prior year's gross revenue from the Commonwealth.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

13. SURPLUS REVENUE RETENTION (SRR) (CONTINUED)

The surplus revenue retention calculations for 2012 and 2011 are as follows:

	<i>2012</i>	<i>2011</i>	
<i>Calculation of SRR 5% Annual Limit:</i>			
A	\$ 37,988	\$ 271,875	Total Surplus Attributable to Commonwealth
B	\$ 9,864,419	\$ 10,135,628	Total Commonwealth Revenue
C	0.39%	2.68%	SRR Percentage(A/B)
D	\$ 37,988	\$ 271,875	Allowed SRR Amount for Current Year (5% limit)
E	\$ -	\$ -	Liability on Annual SRR (annual amount exceeding 5% limit)
 <i>Calculation of SRR 20% Accumulated Limit:</i>			
F	\$ (843,497)	\$ (1,115,372)	Starting SRR Balance from prior year
G	\$ -	\$ -	Authorized Expenditures of SRR Balance (F)
H	\$ (843,497)	\$ (1,115,372)	Accumulated SRR balance adjusted for audit period expenditures (F-G)
I	\$ 37,988	\$ 271,875	Allowed SRR Accrual Amount for Current Year (D)
J	\$ (805,509)	\$ (843,497)	Accumulated SRR balance (H+I)
K	\$ 10,135,628	\$ 9,866,921	Prior Year's Comm. of Mass. Revenue
L	\$ 2,027,126	\$ 1,973,384	SRR Policy 20% Accumulated balance limit (20% of K)
M	\$ -	\$ -	Liability based SRR Policy 20% rule on accumulated SRR balance (J-L)

14. PRIOR PERIOD ADJUSTMENT

Net assets at the beginning of 2012 have been restated to correct reporting errors made in prior years related to CHNA 15 activity. Had the errors not been made, change in net assets for 2011 would have increased by \$736,056. These errors had no effect on change in net assets for 2012.

The following schedule summarizes the effect of the restatement on the 2011 financial statement line items:

Statement of Financial Position

Cash and cash equivalents, as previously reported	\$	780,706
Prior period adjustment		<u>718,190</u>
Restricted cash and cash equivalents, restated	\$	<u>1,498,896</u>
Promises to give, as previously recorded	\$	-
Prior period adjustment		<u>75,958</u>
Promises to give, restated	\$	<u>75,958</u>
Accounts payable, as previously reported	\$	759,670
Prior period adjustment		<u>16,003</u>
Accounts payable, restated	\$	<u>775,673</u>
Grants and scholarships payable, as previously reported	\$	-
Prior period adjustment		<u>42,090</u>
Grants and scholarships payable, restated	\$	<u>42,090</u>
Net assets, as previously reported	\$	1,218,179
Prior period adjustment		<u>736,056</u>
Net assets, restated	\$	<u>1,954,235</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2012 with Restated Comparative Totals for 2011

14. PRIOR PERIOD ADJUSTMENT (CONTINUED)

	Unrestricted
Statement of Activities:	
Grants and contributions, as previously reported	\$ 579,332
Prior period adjustment	<u>955,901</u>
Grants and contributions, restated	<u>\$ 1,535,233</u>
Total expenses, as previously reported	\$ 10,645,702
Prior period adjustment	<u>221,478</u>
Total expenses, restated	<u>\$ 10,867,180</u>
Change in net assets, as previously reported	\$ 431,275
Prior period adjustment	<u>736,056</u>
Change in net assets, restated	<u>\$ 1,167,331</u>

Supplemental Information

MINUTEMAN SENIOR SERVICES, INC.
Supplemental Schedule of Minuteman Functional Activity
For the Year Ended June 30, 2012

	Home Care Purchase of Service	Home Care Case Management	ECOP Case Management	ECOP Purchase of Service	Coordination of Care	Protective Services	Community Choices	Shine	Supportive Housing	Senior Whole Health	State Elder Lunch	NSIP
REVENUE AND SUPPORT												
Grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,890	\$ -	\$ 34,300	\$ -	\$ -	\$ -	\$ -
Program fees												
Contract revenue	2,364,611	801,527	460,252	1,436,037	154,960	459,695	2,396,891	104,649	129,450	120,128	165,322	58,118
Client fees	-	312,992	67,209	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue and support	<u>2,364,611</u>	<u>1,114,519</u>	<u>527,461</u>	<u>1,436,037</u>	<u>154,960</u>	<u>468,585</u>	<u>2,396,891</u>	<u>138,949</u>	<u>129,450</u>	<u>120,128</u>	<u>165,322</u>	<u>58,118</u>
EXPENSES												
Employee compensation and related expenses	-	957,024	333,903	-	213,408	376,456	250,433	105,263	74,060	50,516	-	-
Occupancy	-	67,770	22,978	-	4,019	26,415	28,439	8,121	8,232	139	-	-
Other program/ operating expense	-	30,941	8,242	-	4,983	16,547	6,417	1,404	3,718	1,898	157,554	58,118
Subcontract expense	2,374,629	-	-	1,174,269	454	18,170	2,157,393	-	2,535	51,030	-	-
Direct administrative expense	-	5,150	1,407	-	1,669	2,744	1,128	838	317	350	-	-
Other expenses	-	56,811	4,196	-	2,972	10,115	3,304	1,440	775	1,026	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses before allocation	<u>2,374,629</u>	<u>1,117,696</u>	<u>370,726</u>	<u>1,174,269</u>	<u>227,505</u>	<u>450,447</u>	<u>2,447,114</u>	<u>117,066</u>	<u>89,637</u>	<u>104,959</u>	<u>157,554</u>	<u>58,118</u>
Allocation of administration	<u>2,729</u>	<u>117,309</u>	<u>40,462</u>	<u>2,729</u>	<u>24,830</u>	<u>49,163</u>	<u>34,349</u>	<u>12,777</u>	<u>9,783</u>	<u>8,614</u>	<u>17,196</u>	<u>6,343</u>
Total expenses	<u>2,377,358</u>	<u>1,235,005</u>	<u>411,188</u>	<u>1,176,998</u>	<u>252,335</u>	<u>499,610</u>	<u>2,481,463</u>	<u>129,843</u>	<u>99,420</u>	<u>113,573</u>	<u>174,750</u>	<u>64,461</u>
Change in net assets	<u>(12,747)</u>	<u>(120,486)</u>	<u>116,273</u>	<u>259,039</u>	<u>(97,375)</u>	<u>(31,025)</u>	<u>(84,572)</u>	<u>9,106</u>	<u>30,030</u>	<u>6,555</u>	<u>(9,428)</u>	<u>(6,343)</u>
Other changes in net assets												
EOEA Mitigation Plan transfer	-	-	-	(24,324)	-	-	-	-	-	-	-	-
Surplus funds policy 3% transfer	-	-	-	(114,019)	-	29,708	84,311	-	-	-	-	-
Total other changes in net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,343)</u>	<u>-</u>	<u>29,708</u>	<u>84,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted net assets, beginning of year	<u>2,304</u>	<u>1,118,355</u>	<u>-</u>	<u>54,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,684</u>	<u>-</u>	<u>-</u>
Unrestricted net assets, end of year	<u>\$ (10,443)</u>	<u>\$ 997,869</u>	<u>\$ 116,273</u>	<u>\$ 175,396</u>	<u>\$ (97,375)</u>	<u>\$ (1,317)</u>	<u>\$ (261)</u>	<u>\$ 9,106</u>	<u>\$ 30,030</u>	<u>\$ 25,239</u>	<u>\$ (9,428)</u>	<u>\$ (6,343)</u>

MINUTEMAN SENIOR SERVICES, INC.
Supplemental Schedule of Minuteman Functional Activity (Continued)
For the Year Ended June 30, 2012

	Title III	Ombudsman	Federal Caregiver	Money Management	Private Elder Care	Commonwealth Corps	GBADRC	LTC Options	ADRD	Fundraising	Administration	Minuteman Total
REVENUE AND SUPPORT												
Grants and contributions	\$ 224,426	\$ -	\$ -	\$ 1,050	\$ 69,643	\$ 13,717	\$ -	\$ -	\$ -	\$ 78,376	\$ 8,768	439,170
Program fees												
Contract revenue	665,575	55,449	73,533	38,210	-	-	25,290	364,449	3,475	-	-	9,877,621
Client fees	67,198	-	-	-	2,145	-	-	-	-	-	-	449,544
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	262	1,673	-	-	-	-	-	-	6,818	8,753
Net assets released from restrictions	-	-	-	-	5,000	-	-	-	-	-	-	5,000
Total revenue and support	<u>957,199</u>	<u>55,449</u>	<u>73,795</u>	<u>40,933</u>	<u>76,788</u>	<u>13,717</u>	<u>25,290</u>	<u>364,449</u>	<u>3,475</u>	<u>78,376</u>	<u>15,586</u>	<u>10,780,088</u>
EXPENSES												
Employee compensation and related expenses	790,054	42,768	55,666	25,681	36,159	14,172	13,403	87,978	-	71,630	354,689	3,853,263
Occupancy	84,110	-	1,940	3,880	444	-	2,023	3,742	-	9,286	11,358	282,896
Other program/ operating expense	9,765	5,090	928	210	4,628	214	311	2,602	-	246	2,346	316,162
Subcontract expense	50,641	13,117	4,499	-	-	-	-	270,000	3,475	-	-	6,120,212
Direct administrative expense	6,343	502	1,048	447	325	411	296	1,090	-	2,415	61,548	88,028
Other expenses	13,021	1,243	543	329	443	24	213	972	-	17,057	26,727	141,211
Depreciation	-	-	-	-	-	-	-	-	-	-	42,680	42,680
Total expenses before allocation	<u>953,934</u>	<u>62,720</u>	<u>64,624</u>	<u>30,547</u>	<u>41,999</u>	<u>14,821</u>	<u>16,246</u>	<u>366,384</u>	<u>3,475</u>	<u>100,634</u>	<u>499,348</u>	<u>10,844,452</u>
Allocation of administration	<u>101,283</u>	<u>6,845</u>	<u>7,053</u>	<u>3,334</u>	<u>4,355</u>	<u>1,618</u>	<u>1,773</u>	<u>13,248</u>	<u>379</u>	<u>10,983</u>	<u>(477,154)</u>	<u>-</u>
Total expenses	<u>1,055,217</u>	<u>69,565</u>	<u>71,677</u>	<u>33,881</u>	<u>46,354</u>	<u>16,439</u>	<u>18,019</u>	<u>379,632</u>	<u>3,854</u>	<u>111,617</u>	<u>22,194</u>	<u>10,844,452</u>
Change in net assets	<u>(98,018)</u>	<u>(14,116)</u>	<u>2,118</u>	<u>7,052</u>	<u>30,434</u>	<u>(2,722)</u>	<u>7,271</u>	<u>(15,183)</u>	<u>(379)</u>	<u>(33,241)</u>	<u>(6,608)</u>	<u>(64,365)</u>
Other changes in net assets												
EOEA Mitigation Plan transfer	-	-	-	-	-	-	-	-	-	-	-	(24,324)
Surplus funds policy 3% transfer	-	-	-	-	-	-	-	-	-	-	-	-
Total other changes in net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,324)</u>
Unrestricted net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>2,992</u>	<u>-</u>	<u>-</u>	<u>16,025</u>	<u>-</u>	<u>-</u>	<u>1,213,179</u>
Unrestricted net assets, end of year	<u>\$ (98,018)</u>	<u>\$ (14,116)</u>	<u>\$ 2,118</u>	<u>\$ 7,052</u>	<u>\$ 30,553</u>	<u>\$ 270</u>	<u>\$ 7,271</u>	<u>\$ (15,183)</u>	<u>\$ 15,646</u>	<u>\$ (33,241)</u>	<u>\$ (6,608)</u>	<u>\$ 1,124,490</u>