



MINUTEMAN SERVICES, INC.

Financial Statements

and

Independent Auditors' Report

June 30, 2013 with Comparative Totals for 2012

MINUTEMAN SENIOR SERVICES, INC.

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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 financial statements of Minuteman Senior Services, Inc. (Minuteman) (a nonprofit organization) which comprise the combining statement of financial position as of June 30, 2013, and the related combining statements of activities, functional expenses, and 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; this includes 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 fraud or error.

Auditor's 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 Minuteman'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 Minuteman'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 Minuteman Senior Services, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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 on pages 19 and 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.

Report on Summarized Comparative Information

We have previously audited Minuteman's 2012 financial statements, and our report dated November 13, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.



David Jones & Company LLP

December 4, 2013

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Financial Position
June 30, 2013 with Comparative Totals for 2012

	MINUTEMAN	CHNA 15	ELIMINATIONS	2013 COMBINED TOTAL	2012 COMBINED TOTAL
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,089,611	\$ 519,573	\$ -	\$ 1,609,184	\$ 1,369,520
Accounts receivable, net of allowance	1,151,169	-	-	1,151,169	1,058,614
Grants and contributions receivable	-	81,199	-	81,199	67,041
Prepaid expenses	106,917	-	-	106,917	41,642
Total current assets	<u>2,347,697</u>	<u>600,772</u>	<u>-</u>	<u>2,948,469</u>	<u>2,536,817</u>
NONCURRENT ASSETS					
Grants and contributions receivable	-	212,996	-	212,996	-
FIXED ASSETS					
Furniture and equipment	383,792	-	-	383,792	327,090
Leasehold improvements	53,693	-	-	53,693	30,098
Total	437,485	-	-	437,485	357,188
Less: accumulated depreciation	(132,253)	-	-	(132,253)	(80,585)
Net fixed assets	<u>305,232</u>	<u>-</u>	<u>-</u>	<u>305,232</u>	<u>276,603</u>
OTHER ASSETS					
Security deposit	-	-	-	-	17,353
Computer software - net	17,299	-	-	17,299	1,417
Total other assets	<u>17,299</u>	<u>-</u>	<u>-</u>	<u>17,299</u>	<u>18,770</u>
Total assets	<u>\$ 2,670,228</u>	<u>\$ 813,768</u>	<u>\$ -</u>	<u>\$ 3,483,996</u>	<u>\$ 2,832,190</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 734,245	\$ 6,400	\$ -	\$ 740,645	\$ 624,815
Accrued expenses	291,493	-	-	291,493	334,949
Grants and scholarships payable	-	58,550	-	58,550	-
EOEA Mitigation Plan payable	-	-	-	-	46,771
Capital lease obligation, current portion	10,305	-	-	10,305	8,857
Total current liabilities	<u>1,036,043</u>	<u>64,950</u>	<u>-</u>	<u>1,100,993</u>	<u>1,015,392</u>
LONG-TERM DEBT					
Capital lease obligation	18,209	-	-	18,209	28,213
Accrued rent expense	263,623	-	-	263,623	-
Total long-term debt	<u>281,832</u>	<u>-</u>	<u>-</u>	<u>281,832</u>	<u>28,213</u>
Total liabilities	<u>1,317,875</u>	<u>64,950</u>	<u>-</u>	<u>1,382,825</u>	<u>1,043,605</u>
NET ASSETS					
Unrestricted					
Designated	467,757	-	-	467,757	164,954
Undesignated	792,596	748,818	-	1,541,414	1,560,631
Total unrestricted net assets	<u>1,260,353</u>	<u>748,818</u>	<u>-</u>	<u>2,009,171</u>	<u>1,725,585</u>
Temporarily restricted	92,000	-	-	92,000	63,000
Total net assets	<u>1,352,353</u>	<u>748,818</u>	<u>-</u>	<u>2,101,171</u>	<u>1,788,585</u>
Total liabilities and net assets	<u>\$ 2,670,228</u>	<u>\$ 813,768</u>	<u>\$ -</u>	<u>\$ 3,483,996</u>	<u>\$ 2,832,190</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Activities
For the Year Ended June 30, 2013 with Comparative Totals for 2012

CHANGES IN UNRESTRICTED NET ASSETS	MINUTEMAN	CHNA 15	ELIMINATIONS	2013 COMBINED TOTAL	2012 COMBINED TOTAL
REVENUE AND SUPPORT					
Grants and contributions	\$ 317,482	\$ 300,754	\$ -	\$ 618,236	\$ 439,700
Contract revenue	11,128,474	-	(10,253)	11,118,221	9,864,419
Client fees	379,425	-	-	379,425	449,544
Interest	-	498	-	498	726
Other	29,877	1,180	-	31,057	8,753
Net assets released from restrictions	<u>63,000</u>	<u>-</u>	<u>-</u>	<u>63,000</u>	<u>5,000</u>
Total revenue and support	<u>11,918,258</u>	<u>302,432</u>	<u>(10,253)</u>	<u>12,210,437</u>	<u>10,768,142</u>
EXPENSES					
PROGRAM SERVICES					
Home Care	8,857,435	-	-	8,857,435	8,217,824
Community Support	1,175,636	-	-	1,175,636	1,081,278
Community Health	231,112	144,456	-	375,568	282,080
Elderly Nutrition	117,100	-	-	117,100	215,672
Services in the Community	113,910	-	-	113,910	89,637
Money Management and Protective Services	<u>538,858</u>	<u>-</u>	<u>-</u>	<u>538,858</u>	<u>480,994</u>
Total program services	<u>11,034,050</u>	<u>144,456</u>	<u>-</u>	<u>11,178,506</u>	<u>10,367,485</u>
SUPPORTING SERVICES					
Management and general	616,614	10,253	(10,253)	616,614	499,348
Fundraising	<u>131,731</u>	<u>-</u>	<u>-</u>	<u>131,731</u>	<u>100,635</u>
Total supporting services	<u>748,345</u>	<u>10,253</u>	<u>(10,253)</u>	<u>748,345</u>	<u>599,983</u>
Total expenses	<u>11,782,395</u>	<u>154,709</u>	<u>(10,253)</u>	<u>11,926,851</u>	<u>10,967,468</u>
Change in unrestricted net assets	<u>135,863</u>	<u>147,723</u>	<u>-</u>	<u>283,586</u>	<u>(199,326)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Grants and contributions	92,000	-	-	92,000	63,000
Net assets released from restrictions	<u>(63,000)</u>	<u>-</u>	<u>-</u>	<u>(63,000)</u>	<u>(5,000)</u>
Change in temporarily restricted nets assets	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>58,000</u>
Change in net assets before other changes	<u>164,863</u>	<u>147,723</u>	<u>-</u>	<u>312,586</u>	<u>(141,326)</u>
OTHER CHANGES IN NET ASSETS					
EOEA Mitigation Plan transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,324</u>
Change in net assets	<u>164,863</u>	<u>147,723</u>	<u>-</u>	<u>312,586</u>	<u>(165,650)</u>
Net assets, beginning of year	<u>1,187,490</u>	<u>601,095</u>	<u>-</u>	<u>1,788,585</u>	<u>1,954,235</u>
Net assets, end of year	<u>\$ 1,352,353</u>	<u>\$ 748,818</u>	<u>\$ -</u>	<u>\$ 2,101,171</u>	<u>\$ 1,788,585</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Functional Expenses
For the Year Ended June 30, 2013 with Summarized Comparative Totals for 2012

DESCRIPTION	MINUTEMAN				CHNA 15			ELIMINATIONS	2013	2012
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL		COMBINED TOTAL	COMBINED TOTAL
Employee compensation and related expenses	\$ 3,294,802	\$ 416,964	\$ 98,369	\$ 3,810,135	\$ -	\$ -	\$ -	\$ -	\$ 3,810,135	\$ 3,853,263
Occupancy	329,456	29,743	10,076	369,275	-	-	-	-	369,275	282,896
Other program/ operating expense	253,773	16,490	2,256	272,519	40,482	-	40,482	-	313,001	357,944
Subcontract expense	6,987,264	-	-	6,987,264	-	-	-	-	6,987,264	6,120,212
Direct administrative expense	34,944	68,268	5,124	108,336	-	-	-	-	108,336	88,029
Other expenses	133,811	29,509	15,906	179,226	103,974	10,253	114,227	(10,253)	283,200	222,444
Depreciation	-	55,640	-	55,640	-	-	-	-	55,640	42,680
Total expenses	<u>\$ 11,034,050</u>	<u>\$ 616,614</u>	<u>\$ 131,731</u>	<u>\$ 11,782,395</u>	<u>\$ 144,456</u>	<u>\$ 10,253</u>	<u>\$ 154,709</u>	<u>\$ (10,253)</u>	<u>\$ 11,926,851</u>	<u>\$ 10,967,468</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Combining Statement of Cash Flows
For the Year Ended June 30, 2013 with Comparative Totals for 2012

	MINUTEMAN	CHNA 15	ELIMINATIONS	2013 COMBINED TOTAL	2012 COMBINED TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets before Mitigation Plan transfer	\$ 164,863	\$ 147,723	\$ -	\$ 312,586	\$ (141,326)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation and amortization	55,640	-	-	55,640	42,680
EOEA Mitigation Plan payable	(46,771)	-	-	(46,771)	46,771
(Increase)/decrease in operating assets					
Accounts receivable	(92,555)	-	-	(92,555)	127,288
Grants and contributions receivable	63,000	(290,154)	-	(227,154)	8,917
Prepaid expenses	(65,275)	-	-	(65,275)	27,543
Increase/(decrease) in operating liabilities					
Accounts payable	113,655	2,175	-	115,830	(150,858)
Accrued expenses	220,167	-	-	220,167	171,885
Grants and scholarships payable	-	58,550	-	58,550	(42,090)
	<u>430,077</u>	<u>(81,706)</u>	<u>-</u>	<u>348,371</u>	<u>90,810</u>
Net cash provided by (used in) operating activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(100,151)	-	-	(100,151)	(220,186)
	<u>(100,151)</u>	<u>-</u>	<u>-</u>	<u>(100,151)</u>	<u>(220,186)</u>
Net cash used in investing activities					
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payments on capital lease obligation	(8,556)	-	-	(8,556)	-
	<u>(8,556)</u>	<u>-</u>	<u>-</u>	<u>(8,556)</u>	<u>-</u>
Net cash used in financing activities					
Net increase (decrease) in cash and cash equivalents	<u>321,370</u>	<u>(81,706)</u>	<u>-</u>	<u>239,664</u>	<u>(129,376)</u>
Cash and cash equivalents, beginning of year	<u>768,241</u>	<u>601,279</u>	<u>-</u>	<u>1,369,520</u>	<u>1,498,896</u>
Cash and cash equivalents, end of year	<u>\$ 1,089,611</u>	<u>\$ 519,573</u>	<u>\$ -</u>	<u>\$ 1,609,184</u>	<u>\$ 1,369,520</u>
SUPPLEMENTAL CASH FLOW INFORMATION					
Cash paid for interest	<u>5,470</u>	<u>-</u>	<u>-</u>	<u>\$ 5,470</u>	<u>\$ -</u>
Property and equipment financed under a capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,070</u>

See accompanying notes to financial statements.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements
June 30, 2013 with Comparative Totals for 2012

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, 2013 with Comparative Totals for 2012

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, 2013 with Comparative Totals for 2012

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, 2013 with Comparative Totals for 2012

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, 2013 and 2012, 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 year June 30, 2013 no transfers were required to be made. For the year ended June 30, 2012, EOEAs instructed Minuteman to make POS net asset transfers totaling \$46,771 to other ASAPs.

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 \$2,000 are capitalized.

COMPUTER SOFTWARE

Computer software is being amortized using the straight-line method over three years. Amortization expense was \$4,691 and \$7,448, respectively, for the years ended June 30, 2013 and 2012. Future amortization expense is estimated to be approximately \$6,600 for fiscal years 2014 and 2015 and approximately \$3,300 for fiscal year 2016.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

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.

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.

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, 2012, from which the summarized information was derived.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2013 and 2012, 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 2013 returns and believe they are more-likely-than-not of being sustained if examined by Federal or state tax authorities. Minuteman’s 2010 through 2012 tax years remain subject to examination by Federal and state tax authorities.

3. ACCOUNTS RECEIVABLE

At June 30, 2013 and 2012, accounts receivable consisted of the following:

	<i>2013</i>	<i>2012</i>
Commonwealth of Massachusetts - EOE A	\$ 1,126,698	\$ 1,043,050
Other receivables	24,471	17,236
Less allowance for doubtful accounts	<u>-</u>	<u>(1,672)</u>
Net accounts receivable	<u>\$ 1,151,169</u>	<u>\$ 1,058,614</u>

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

UNCONDITIONAL

At June 30, 2013 and June 30, 2012, the outstanding promises to give were deemed fully collectible and due as follows:

	<i>2013</i>	<i>2012</i>
Promises due in one year	\$ 81,199	\$ 67,041
Promises due in two to five years	<u>213,996</u>	<u>-</u>
Total	<u>\$ 295,195</u>	<u>\$ 67,041</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

4. GRANTS AND CONTRIBUTIONS RECEVIABLE (CONTINUED)

CONDITIONAL

Conditional promises to give at June 30, 2013, consist of promises for:

<i>Purpose</i>	<i>Amount</i>
Volunteer recruitment	\$ 5,000
General operations	<u>50,000</u>
Total	<u><u>\$ 55,000</u></u>

The conditional promises will be recognized in the financial statements when the conditions on which they depend are substantially met.

5. IN-KIND CONTRIBUTIONS

Minuteman receives donated services and facilities from several sources. Minuteman's sub-grantees contribute services and the use of facilities though 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.

6. 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.

7. 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.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

7. PENSION PLANS (CONTINUED)

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. During fiscal year 2013, pension contributions were reinstated. The 403(b) plan covers substantially all employees and provides for employee elected tax deferred contributions. Retirement benefit contributions charged to operations for the fiscal years ended June 30, 2013 and 2012 totaled \$85,489 and \$0, respectively.

8. LEASE COMMITMENTS

OPERATING LEASES

During fiscal year 2012, 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.

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, 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.

Rent expense is recorded on a straight-line basis in accordance with U.S. GAAP. Rent expense totaled \$336,180 and \$258,884, respectively, for fiscal years 2013 and 2012

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>	
2014	\$ 302,031
2015	318,357
2016	318,357
2017	334,683
2018	334,683
Thereafter	<u>1,742,801</u>
Total	<u>\$ 3,350,912</u>

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

8. LEASE COMMITMENTS (CONTINUED)

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 \$3,147 and \$5,341, respectively, for the years ended June 30, 2013 and 2012.

Future minimum lease payments under the capital leases as of June 30, 2013 are as follows:

<i>Year Ending</i> <i>June 30,</i>	<i>Amount</i>
2014	\$ 14,027
2015	14,026
2016	3,599
2017	<u>3,600</u>
Total minimum lease payments	35,252
Less: amount representing interest	<u>6,738</u>
Present value of net minimum lease payments	<u><u>28,514</u></u>

9. LINES OF CREDIT

At June 30, 2013 and 2012, 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 ¾%. The line of credit is collateralized by all business assets.

At June 30, 2013, 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 is 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 ¾%.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

10. DESIGNATED AND RESTRICTED NET ASSETS

DESIGNATED UNRESTRICTED NET ASSETS

The following is a summary of the designated unrestricted net assets at June 30, 2013 and 2012:

	<i>2013</i>	<i>2012</i>
Designated net assets, beginning of year	\$ 164,953	\$ 57,004
Surplus	419,636	246,292
EOEA Mitigation Plan transfer	-	(24,324)
Surplus funds policy 3% transfer	<u>(116,832)</u>	<u>(114,019)</u>
Designated net assets, end of year	<u>\$ 467,757</u>	<u>\$ 164,953</u>

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2013 and 2012 are available for the following uses:

<i>Restriction</i>	<i>2013</i>	<i>2012</i>
General operations	\$ -	\$ 63,000
Community Health	<u>92,000</u>	<u>-</u>
Total	<u>\$ 92,000</u>	<u>\$ 63,000</u>

11. 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 \$58,000 and \$65,000 respectively, for the years ended June 30, 2013 and 2012.

GOVERNMENT CONTRACTS

The expenses reflected in the accompanying financial statements relating to EOEA contracts are subject to review by EOEA 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.

MINUTEMAN SENIOR SERVICES, INC.
Notes to Combining Financial Statements (Continued)
June 30, 2013 with Comparative Totals for 2012

12. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

REVENUE, SUPPORT, AND ACCOUNTS RECEIVABLE

During 2013 and 2012, EOEAs contracts provided 93% and 92%, respectively, of Minuteman's total revenue and support and represented 98% and 99%, respectively, of the accounts receivable at year end.

CREDIT RISK

Minuteman maintains its cash accounts at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At one institution, amounts in excess of the FDIC limit are fully insured by the Massachusetts Depositors Insurance Fund. Minuteman's uninsured balances totaled \$368,871 and \$262,360, respectively, at June 30, 2013 and 2012. Minuteman has not experienced any losses in its accounts and does not believe that it is exposed to any significant credit risk on cash balances within its accounts

13. SUBSEQUENT EVENTS

Minuteman has evaluated subsequent events through December 4, 2013, which is the date the financial statements were available to be issued.

14. 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.

The surplus revenue retention calculations for 2013 and 2012 are as follows:

2013 2012
Calculation of SRR 5% Annual Limit:

A	\$ 317,850	\$ 37,988	Total Surplus Attributable to Commonwealth
B	\$ 11,118,221	\$ 9,864,419	Total Commonwealth Revenue
C	2.86%	0.39%	SRR Percentage(A/B)
D	\$ 317,850	\$ 37,988	Allowed SRR Amount for Current Year (5% limit)
E	\$ -	\$ -	Liability on Annual SRR (annual amount exceeding 5% limit)

Calculation of SRR 20% Accumulated Limit:

F	\$ (805,509)	\$ (843,497)	Starting SRR Balance from prior year
G	\$ -	\$ -	Authorized Expenditures of SRR Balance (F)
H	\$ (805,509)	\$ (843,497)	Accumulated SRR balance adjusted for audit period expenditures (F-G)
I	\$ 317,850	\$ 37,988	Allowed SRR Accrual Amount for Current Year (D)
J	\$ (487,659)	\$ (805,509)	Accumulated SRR balance (H+I)
K	\$ 9,864,419	\$ 10,135,628	Prior Year's Comm. of Mass. Revenue
L	\$ 1,972,884	\$ 2,027,126	SRR Policy 20% Accumulated balance limit (20% of K)
M	\$ -	\$ -	Liability based SRR Policy 20% rule on accumulated SRR balance (J-L)

Supplemental Information

MINUTEMAN SENIOR SERVICES, INC.
Supplemental Schedule of Minuteman Functional Activity
For the Year Ended June 30, 2013

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,227	\$ -	\$ 5,289	\$ -	\$ -	\$ -	\$ -
Program fees												
Contract revenue	2,360,261	879,771	490,330	1,534,132	247,107	447,076	3,129,686	126,360	129,360	376,918	58,191	58,909
Client fees	-	299,545	79,880	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	240	-	-
Net assets released from restrictions	-	-	-	-	63,000	-	-	-	-	-	-	-
Total revenue and support	<u>2,360,261</u>	<u>1,179,316</u>	<u>570,210</u>	<u>1,534,132</u>	<u>310,107</u>	<u>453,303</u>	<u>3,129,686</u>	<u>131,649</u>	<u>129,360</u>	<u>377,158</u>	<u>58,191</u>	<u>58,909</u>
EXPENSES												
Employee compensation and related expenses	-	714,743	370,866	-	243,556	424,815	231,489	129,786	100,191	50,135	-	-
Occupancy	-	98,003	31,423	-	15,186	38,345	22,507	21,094	4,240	6,886	-	-
Other program/ operating expense	-	20,012	8,372	-	5,809	10,179	5,125	3,567	1,999	1,095	58,191	58,909
Subcontract expense	2,129,865	-	-	1,338,034	-	3,801	2,921,609	5,000	1,910	231,195	-	-
Direct administrative expense	-	9,029	2,681	-	1,812	3,883	1,823	1,955	482	525	-	-
Other expenses	-	29,114	11,359	-	6,454	14,898	7,077	5,414	5,088	2,127	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses before allocation	<u>2,129,865</u>	<u>870,901</u>	<u>424,701</u>	<u>1,338,034</u>	<u>272,817</u>	<u>495,921</u>	<u>3,189,630</u>	<u>166,816</u>	<u>113,910</u>	<u>291,963</u>	<u>58,191</u>	<u>58,909</u>
Allocation of administration	<u>3,429</u>	<u>119,454</u>	<u>58,252</u>	<u>3,429</u>	<u>37,420</u>	<u>68,021</u>	<u>40,191</u>	<u>22,881</u>	<u>15,624</u>	<u>11,764</u>	<u>7,982</u>	<u>8,080</u>
Total expenses	<u>2,133,294</u>	<u>990,354</u>	<u>482,953</u>	<u>1,341,463</u>	<u>310,236</u>	<u>563,942</u>	<u>3,229,821</u>	<u>189,697</u>	<u>129,534</u>	<u>303,727</u>	<u>66,173</u>	<u>66,989</u>
Change in net assets	<u>226,967</u>	<u>188,962</u>	<u>87,257</u>	<u>192,669</u>	<u>(129)</u>	<u>(110,639)</u>	<u>(100,135)</u>	<u>(58,048)</u>	<u>(174)</u>	<u>73,431</u>	<u>(7,982)</u>	<u>(8,080)</u>
Other changes in net assets												
Surplus funds policy 3% transfer	-	-	-	(116,832)	-	111,049	5,783	-	-	-	-	-
Unrestricted net assets, beginning of year	(10,443)	997,869	116,273	175,396	(97,375)	(1,317)	(261)	9,106	30,030	25,239	(9,428)	(6,343)
Unrestricted net assets, end of year	<u>\$ 216,524</u>	<u>\$ 1,186,831</u>	<u>\$ 203,530</u>	<u>\$ 251,233</u>	<u>\$ (97,504)</u>	<u>\$ (907)</u>	<u>\$ (94,614)</u>	<u>\$ (48,942)</u>	<u>\$ 29,856</u>	<u>\$ 98,670</u>	<u>\$ (17,410)</u>	<u>\$ (14,423)</u>
Designated net assets	<u>\$ 216,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MINUTEMAN SENIOR SERVICES, INC.
Supplemental Schedule of Minuteman Functional Activity (Continued)
For the Year Ended June 30, 2013

	Title III	Ombudsman	Federal Caregiver	Money Management	Private Elder Care	Commonwealth Corps	GBADRC	LTC Options	ADRDR	Fundraising	Administration	Minuteman Total
REVENUE AND SUPPORT												
Grants and contributions	\$ 231,261	\$ -	\$ 19,579	\$ 2,525	\$ 17,036	\$ -	\$ 500	\$ -	\$ -	\$ 33,788	\$ 1,277	317,482
Program fees												
Contract revenue	743,611	49,559	78,313	36,741	3,310	-	3,927	366,468	8,444	-	-	11,128,474
Client fees	-	-	-	-	-	-	-	-	-	-	-	379,425
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	800	-	-	-	-	-	-	-	-	-	28,837	29,877
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	63,000
Total revenue and support	<u>975,672</u>	<u>49,559</u>	<u>97,892</u>	<u>39,266</u>	<u>20,346</u>	<u>-</u>	<u>4,427</u>	<u>366,468</u>	<u>8,444</u>	<u>33,788</u>	<u>30,114</u>	<u>11,918,258</u>
EXPENSES												
Employee compensation and related expenses	807,501	64,935	41,327	38,095	44,466	-	-	32,899	-	98,369	416,964	3,810,135
Occupancy	59,554	10,510	5,400	2,899	7,683	-	-	5,726	-	10,076	29,743	369,275
Other program/ operating expense	62,424	1,499	1,198	700	6,159	-	-	8,535	-	2,256	16,490	272,519
Subcontract expense	62,504	-	3,440	-	114	-	2	279,090	10,700	-	-	6,987,264
Direct administrative expense	8,167	1,166	414	240	1,753	192	-	822	-	5,124	68,268	108,336
Other expenses	40,577	3,449	1,571	1,003	4,121	203	-	1,356	-	15,906	29,509	179,226
Depreciation	-	-	-	-	-	-	-	-	-	-	55,640	55,640
Total expenses before allocation	<u>1,040,727</u>	<u>81,559</u>	<u>53,350</u>	<u>42,937</u>	<u>64,296</u>	<u>395</u>	<u>2</u>	<u>328,428</u>	<u>10,700</u>	<u>131,731</u>	<u>616,614</u>	<u>11,782,395</u>
Allocation of administration	<u>137,603</u>	<u>11,187</u>	<u>7,317</u>	<u>5,889</u>	<u>8,490</u>	<u>54</u>	<u>0</u>	<u>10,196</u>	<u>1,468</u>	<u>18,068</u>	<u>(596,800)</u>	<u>-</u>
Total expenses	<u>1,178,330</u>	<u>92,746</u>	<u>60,667</u>	<u>48,827</u>	<u>72,785</u>	<u>449</u>	<u>2</u>	<u>338,624</u>	<u>12,168</u>	<u>149,799</u>	<u>19,814</u>	<u>11,782,395</u>
Change in net assets	<u>(202,658)</u>	<u>(43,187)</u>	<u>37,225</u>	<u>(9,561)</u>	<u>(52,439)</u>	<u>(449)</u>	<u>4,425</u>	<u>27,844</u>	<u>(3,724)</u>	<u>(116,011)</u>	<u>10,300</u>	<u>135,863</u>
Other changes in net assets												
Surplus funds policy 3% transfer	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted net assets, beginning 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>
Unrestricted net assets, end of year	<u>\$ (300,676)</u>	<u>\$ (57,303)</u>	<u>\$ 39,343</u>	<u>\$ (2,509)</u>	<u>\$ (21,886)</u>	<u>\$ (179)</u>	<u>\$ 11,696</u>	<u>\$ 12,661</u>	<u>\$ 11,922</u>	<u>\$ (149,252)</u>	<u>\$ 3,692</u>	<u>\$ 1,260,353</u>
Designated 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>\$ 467,757</u>