

MONTGOMERY AREA COUNCIL ON AGING

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2023 AND 2022

**MONTGOMERY AREA COUNCIL ON AGING
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SEPTEMBER 30, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Montgomery Area Council on Aging

Opinion

We have audited the accompanying financial statements of Montgomery Area Council on Aging (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montgomery Area Council on Aging as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montgomery Area Council on Aging and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery Area Council on Aging's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Montgomery Area Council on Aging's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery Area Council on Aging's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Warren Averett, LLC

Montgomery, Alabama

January 9, 2024

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 130,794	\$ 744,882
Contracts, grants and other receivables	7,960	26,711
United Way receivable, net	7,678	7,744
Pledges receivable	29,568	20,510
Prepaid expenses	23,257	16,183
Land held for sale	350,000	350,000
Investments	1,186,960	496,013
Property and equipment (at depreciated cost)	681,810	615,406
Construction in progress	-	89,371
TOTAL ASSETS	\$ 2,418,027	\$ 2,366,820
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 26,868	\$ 22,909
Payroll taxes payable	8,406	8,870
Accrued salaries and related expenses	50,539	44,783
Deferred revenue and other liabilities	20,215	80,066
Accrued compensated absences	31,900	30,294
Finance lease obligation	10,806	2,340
TOTAL LIABILITIES	148,734	189,262
NET ASSETS		
Without donor restrictions		
Undesignated	1,114,888	1,010,717
Investment in property and equipment, net	671,004	702,437
Total net assets without donor restrictions	1,785,892	1,713,154
With donor restrictions		
Restricted by time or purpose	483,401	464,404
Total net assets with donor restrictions	483,401	464,404
TOTAL NET ASSETS	2,269,293	2,177,558
TOTAL LIABILITIES AND NET ASSETS	\$ 2,418,027	\$ 2,366,820

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 507,841	\$ 68,415	\$ 576,256
Noncash contributions	232,107	-	232,107
United Way	71,722	-	71,722
Governmental grants and fees	534,483	-	534,483
Fundraising	257,608	-	257,608
Program service fees from individuals	33,983	-	33,983
Investment income, net	40,547	-	40,547
Miscellaneous revenue	12,673	3,034	15,707
Net assets released from restrictions:			
Satisfaction of program restrictions	52,452	(52,452)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	1,743,416	18,997	1,762,413
EXPENSES			
Program services:			
Retired and Senior Volunteer Program	202,840	-	202,840
Senior Services	980,818	-	980,818
Archibald Multi-Purpose Center	58,011	-	58,011
Community Awareness	57,152	-	57,152
Total program services	1,298,821	-	1,298,821
Supporting services:			
Management and general	310,618	-	310,618
Fundraising	99,074	-	99,074
Total supporting services	409,692	-	409,692
TOTAL EXPENSES	1,708,513	-	1,708,513
GAINS AND LOSSES			
Realized gains on investments	48,910	-	48,910
Unrealized losses on investments	(11,075)	-	(11,075)
TOTAL GAINS AND LOSSES	37,835	-	37,835
CHANGE IN NET ASSETS	72,738	18,997	91,735
NET ASSETS AT BEGINNING OF YEAR	1,713,154	464,404	2,177,558
NET ASSETS AT END OF YEAR	\$ 1,785,892	\$ 483,401	\$ 2,269,293

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 551,821	\$ 53,623	\$ 605,444
Noncash contributions	220,354	-	220,354
United Way	57,387	-	57,387
Governmental grants and fees	492,649	-	492,649
Fundraising	264,254	-	264,254
Program service fees from individuals	33,446	-	33,446
Investment income, net	25,356	-	25,356
Miscellaneous revenue	13,972	2,895	16,867
Net assets released from restrictions:			
Satisfaction of program restrictions	126,176	(126,176)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	1,785,415	(69,658)	1,715,757
EXPENSES			
Program services:			
Retired and Senior Volunteer Program	201,322	-	201,322
Senior Services	978,724	-	978,724
Archibald Multi-Purpose Center	47,933	-	47,933
Community Awareness	72,477	-	72,477
Total program services	1,300,456	-	1,300,456
Supporting services:			
Management and general	328,748	-	328,748
Fundraising	88,980	-	88,980
Total supporting services	417,728	-	417,728
TOTAL EXPENSES	1,718,184	-	1,718,184
GAINS AND LOSSES			
Realized losses on investments	(59)	-	(59)
Unrealized losses on investments	(120,259)	-	(120,259)
TOTAL GAINS AND LOSSES	(120,318)	-	(120,318)
CHANGE IN NET ASSETS	(53,087)	(69,658)	(122,745)
NET ASSETS AT BEGINNING OF YEAR	1,766,241	534,062	2,300,303
NET ASSETS AT END OF YEAR	\$ 1,713,154	\$ 464,404	\$ 2,177,558

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL ALL FUNCTIONS
	Retired and Senior Volunteer Program	Senior Services	Archibald Multi-Purpose Center	Community Awareness	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Salaries	\$ 125,706	\$ 240,633	\$ 10,851	\$ 32,074	\$ 409,264	\$ 223,041	\$ 32,076	\$ 255,117	\$ 664,381
Payroll taxes	8,404	17,909	1,113	2,455	29,881	16,919	2,455	19,374	49,255
Employee benefits	12,551	12,595	1,112	923	27,181	5,413	923	6,336	33,517
Pension expense	5,025	7,745	135	804	13,709	6,285	819	7,104	20,813
Total salaries and related expenses	151,686	278,882	13,211	36,256	480,035	251,658	36,273	287,931	767,966
Meals for clients	-	547,849	-	-	547,849	-	-	-	547,849
Activities for clients	-	16,229	-	-	16,229	-	-	-	16,229
Volunteer activities	11,680	3,844	39	2	15,565	118	-	118	15,683
Promotional activities	353	-	-	14,790	15,143	-	-	-	15,143
Staff travel	9,648	11,204	279	81	21,212	388	81	469	21,681
Conferences and training	900	11,907	-	-	12,807	750	-	750	13,557
Professional fees and insurance	3,643	9,393	4,146	534	17,716	22,829	653	23,482	41,198
Dues and publications	619	598	4	68	1,289	2,363	69	2,432	3,721
Office supplies and equipment	3,990	12,146	444	1,270	17,850	7,798	2,589	10,387	28,237
Postage	301	1,407	97	-	1,805	355	907	1,262	3,067
Occupancy	18,310	47,843	27,369	2,915	96,437	10,019	3,858	13,877	110,314
Fundraising	-	-	-	-	-	-	52,414	52,414	52,414
Committee expense	-	-	-	-	-	5,429	-	5,429	5,429
Miscellaneous	-	316	351	-	667	4,648	142	4,790	5,457
Depreciation	1,710	39,200	12,071	1,236	54,217	4,100	2,088	6,188	60,405
Interest expense	-	-	-	-	-	163	-	163	163
TOTAL EXPENSES	\$ 202,840	\$ 980,818	\$ 58,011	\$ 57,152	\$ 1,298,821	\$ 310,618	\$ 99,074	\$ 409,692	\$ 1,708,513
PERCENT OF TOTAL	12%	57%	4%	3%	76%	18%	6%	24%	100%

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL ALL	
	Retired and Senior Volunteer Program	Senior Services	Archibald Multi-Purpose Center	Community Awareness	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Salaries	\$ 120,416	\$ 238,574	\$ 9,276	\$ 31,252	\$ 399,518	\$ 228,036	\$ 31,253	\$ 259,289	\$ 658,807
Payroll taxes	8,216	19,643	1,006	2,491	31,356	18,106	2,491	20,597	51,953
Employee benefits	18,283	9,546	70	1,195	29,094	6,510	1,166	7,676	36,770
Pension expense	5,052	7,458	113	1,346	13,969	7,505	1,364	8,869	22,838
Total salaries and related expenses	151,967	275,221	10,465	36,284	473,937	260,157	36,274	296,431	770,368
Meals for clients	-	543,300	-	-	543,300	-	-	-	543,300
Activities for clients	-	44,653	-	-	44,653	-	-	-	44,653
Archibald Center activities	-	-	25	-	25	-	-	-	25
Volunteer activities	12,170	2,478	-	10,134	24,782	154	-	154	24,936
Promotional activities	157	-	-	21,393	21,550	-	-	-	21,550
Staff travel	9,635	10,044	263	174	20,116	272	174	446	20,562
Conferences and training	300	11,672	-	-	11,972	750	-	750	12,722
Professional fees and insurance	3,246	9,485	4,346	505	17,582	21,656	515	22,171	39,753
Dues and publications	423	589	120	64	1,196	1,728	64	1,792	2,988
Office supplies and equipment	4,297	11,784	87	748	16,916	7,262	2,306	9,568	26,484
Postage	352	1,227	56	-	1,635	438	498	936	2,571
Occupancy	17,431	34,016	22,315	2,312	76,074	11,645	2,326	13,971	90,045
Fundraising	-	-	-	-	-	-	45,664	45,664	45,664
Committee expense	-	-	-	-	-	4,255	-	4,255	4,255
Miscellaneous	7	613	4	-	624	16,394	39	16,433	17,057
Depreciation	1,337	33,642	10,252	863	46,094	3,873	1,120	4,993	51,087
Interest expense	-	-	-	-	-	164	-	164	164
TOTAL EXPENSES	\$ 201,322	\$ 978,724	\$ 47,933	\$ 72,477	\$ 1,300,456	\$ 328,748	\$ 88,980	\$ 417,728	\$ 1,718,184
PERCENT OF TOTAL	13%	57%	3%	4%	77%	18%	5%	23%	100%

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 91,735	\$ (122,745)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	60,405	51,087
Bad debt expense	3,150	14,800
Unrealized loss on investments	11,075	120,259
Realized (gain) loss on investments	(48,910)	59
Changes in assets and liabilities:		
Contracts, grants and other receivables	18,751	20,327
United Way receivable	66	369
Pledges receivable	(9,058)	21,632
Prepaid expenses	(7,074)	(1,850)
Accounts payable	3,959	6,384
Accrued and other liabilities	(52,953)	33,319
Net cash provided by operating activities	<u>71,146</u>	<u>143,641</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on construction in progress	-	(71,935)
Purchase of property and equipment	(26,449)	(53,699)
Purchase of investments	(703,485)	(48,400)
Proceeds from sale of investments	47,015	16,353
Net cash used in investing activities	<u>(682,919)</u>	<u>(157,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital lease payments	(2,315)	(2,055)
Net cash used in financing activities	<u>(2,315)</u>	<u>(2,055)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(614,088)	(16,095)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>744,882</u>	<u>760,977</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 130,794</u></u>	<u><u>\$ 744,882</u></u>

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 106	\$ 164
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Leased office equipment	\$ 11,154	\$ -
Finance lease liability	(11,154)	-
	\$ -	\$ -

See notes to the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Montgomery Area Council on Aging (MACOA) is an incorporated nonprofit organization which provides various services to senior citizens in Montgomery, Alabama, and surrounding areas. MACOA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state law. MACOA operates under the supervision of a Board of Directors.

Basis of Presentation

The financial statements of MACOA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities at year end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of MACOA and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

- *Investment in property and equipment, net* – Assets invested by MACOA in property and equipment, net of accumulated depreciation and any related debt.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of MACOA and/or passage of time.

Cash Equivalents

For purposes of the statements of cash flows, MACOA considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Contracts, Grants and Other Receivables

MACOA reports receivables at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against the allowance for uncollectible accounts.

Investments

MACOA carries investments in marketable equity securities with readily determinable fair values, and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and Equipment

Property and equipment are recorded at cost, or fair market value if donated, less accumulated depreciation. Buildings and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. MACOA's policy is to capitalize items with a cost or donated value greater than \$1,500.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs which are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Noncash Contributions

Noncash contributions are recorded as support at their estimated fair value at the date of donation. Such contributions are reported as support without donor restrictions unless the donor has restricted the contribution to a specific purpose. Noncash contributions donated with explicit restrictions regarding their use are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated items must be maintained, MACOA reports expirations of donor restrictions when the donated or acquired items are placed in service as instructed by the donor.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of MACOA. Those expenses include depreciation and building operation and maintenance, printer and copier costs, postage costs, health and liability insurance, technology costs and salaries. Depreciation and building related costs are allocated based on square footage of the program. Printer, copier and postage costs are allocated by department codes of actual usage. Costs of other categories are allocated on estimates of time and effort of employees providing direct program services.

Use of Estimates in the Preparation of Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

MACOA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the Code of Alabama. MACOA has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code and qualifies for charitable contribution deduction by individual donors as stated in Section 170.

As of September 30, 2023 and 2022, MACOA had no uncertain tax positions, or interest and penalties that qualify for either recognition or disclosure in the financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Adopted Accounting Pronouncements

In February 2016, The FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Subtopic 842). The purpose of this ASU is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on their statements of financial position and disclosing key information about leasing arrangements. The amendments in this ASU require that lessees recognize the rights and obligations resulting from leases as assets and liabilities on their statements of financial position, initially measured at the present value of the lease payments over the term of the lease, including payments to be made in optional periods to extend the lease and payments to purchase the underlying assets if the lessee is reasonably certain of exercising those options. Subtopic 842 requires recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. The new standard is effective during this fiscal year, and the effects are detailed in Note 8.

Subsequent Events

Management has evaluated subsequent events through January 9, 2024, which is the date the financial statements were available to be issued.

2. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses or acquiring assets satisfying the restricted purpose or by occurrence of events specified by donors. Purpose restrictions accomplished during the years ended September 30, 2023 and 2022, consisted of the following:

	2023	2022
Program services:		
Senior Services	\$ 48,548	\$ 119,664
Retired and Senior Volunteer Program	703	772
Management and general	3,201	2,849
Capital Campaign	-	2,891
	\$ 52,452	\$ 126,176

3. RECEIVABLES

MACOA conducts a Senior Pledge Campaign each year. Unconditional pledges receivable totaling \$29,568 and \$20,510 were due in less than one year as of September 30, 2023 and 2022, respectively.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

4. PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 327,700	\$ 327,700
Buildings and improvements	1,332,122	1,216,302
Office equipment and furniture	<u>220,112</u>	<u>218,820</u>
	1,879,934	1,762,822
Less accumulated depreciation	<u>(1,198,124)</u>	<u>(1,147,416)</u>
Property and equipment (at depreciated cost)	<u>\$ 681,810</u>	<u>\$ 615,406</u>

During 2017, MACOA entered into an intent to sell a plot of land with a carrying value of \$350,000. This land is still for sale as of September 30, 2023.

5. PROGRAM SERVICES

MACOA's mission is to assist senior citizens by providing services to promote independent living, by offering opportunities to enhance quality of life, and by increasing community awareness of senior issues. Our mission statement is achieved through these programs:

Senior Services – Provides nutritious meals each weekday to eligible and qualified seniors in the Montgomery metro area through the Meals On Wheels program. Other functions within the program are volunteer training and coordination, education and information about senior issues and referral to community resources.

The Retired and Senior Volunteer Program (RSVP) – Offers volunteer opportunities for seniors aged 55 and older to donate their time, energy, talent and knowledge while performing services at nonprofit and health-related groups, organizations, and agencies in Autauga, Coosa, Elmore, Montgomery and Tallapoosa counties.

Community Awareness – Provides updated information about senior issues, promotes the contributions of local seniors to the community and coordinates actions to enhance the quality of their lives.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

6. INVESTMENTS – PORTFOLIO

On October 28, 1992, MACOA established the Montgomery Area Council on Aging Endowment Fund. The fund's initial principal of \$100,000 was transferred from monies raised during a capital campaign to renovate the Archibald Multi-Purpose Center. Under the terms of this agreement, both principal and income from the fund may be used to benefit MACOA at the discretion of the MACOA's Board of Directors. MACOA may designate specific funds within the Endowment Fund. Contributions to the fund may be made by individuals, partnerships or corporations, subject to approval by MACOA's Board of Directors.

These investments are carried at market value and, as of September 30, 2023 and 2022, consisted of the following:

	2023	2022
Mutual funds – alternative strategies	\$ 14,668	\$ 19,304
Mutual funds	1,172,292	476,709
	\$ 1,186,960	\$ 496,013

For the years ended September 30, 2023 and 2022, realized gains (losses) on these investments totaled \$48,910 and \$(59) respectively, and unrealized losses on these investments totaled \$11,075 and \$120,259, respectively. Investment income from these investments totaled \$40,547 and \$25,356, reported net of investment fees of \$6,384 and \$7,506, respectively.

The level of an asset or liability within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. As of September 30, 2023 and 2022, all investments are in exchange traded funds and mutual funds and are measured, on a recurring basis, using Level 1 inputs according to the valuation hierarchy.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

7. CONTRIBUTED NONFINANCIAL ASSETS

The following nonfinancial assets were contributed to MACOA during the years ended September 30, 2022 and 2023:

Nonfinancial Asset	2023	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Office space	\$ 11,664	RSVP Program in Autauga and Coosa Counties	For use in RSVP program	Market value to rent the space to a paying tenant
Hot meals	201,360	Meals on Wheels program	Hot meals delivered to clients	Based on contract price paid by CAAC.
Hot meals	<u>19,083</u>	Meals on Wheels program	Hot meals delivered to clients	Estimated wholesale prices of identical or similar products if purchased in the region
Total	<u><u>\$ 232,107</u></u>			

Nonfinancial Asset	2022	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Office space	\$ 11,724	RSVP Program in Autauga and Coosa Counties	For use in RSVP program	Market value to rent the space to a paying tenant
Hot meals	179,786	Meals on Wheels program	Hot meals delivered to clients	Based on contract price paid by CAAC.
Shelf stable meals	10,645	Meals on Wheels program	Shelf-stable meals delivered to clients	Based on contract price paid by CAAC.
Hot meals	<u>18,199</u>	Meals on Wheels program	Hot meals delivered to clients	Estimated wholesale prices of identical or similar products if purchased in the region
Total	<u><u>\$ 220,354</u></u>			

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

8. FINANCE LEASE OBLIGATION

As mentioned in Note 1, MACOA has applied FASB ASC 842 in regard to a new equipment lease entered into during the year. This new lease is the only lease required to be included on the statement of financial position under FASB ASC 842 and is categorized as a finance lease.

The copier was recorded with a value of \$11,154 at the beginning of the lease period during 2023. As of September 30, 2023, the copier had a balance of \$10,782, net of amortization for the year and the corresponding lease liability is \$10,806. The lease asset and liability were calculated using the risk-free discount rate of 7.95%. Amortization expense for the leased copier was \$372.

	2023
Lease agreement with US Bank, payable in monthly installments of \$225, including interest at 7.95%, maturing August 2028, secured by equipment	\$ 10,806

Following is a summary of property held under finance leases as of September 30, 2023:

Leased copier	\$ 11,154
Less accumulated amortization	(372)
	\$ 10,782

Future minimum payments under the finance lease agreement as of September 30, 2023, are as follows:

2024	\$ 1,897
2025	2,053
2026	2,223
2027	2,406
2028	2,227
Total lease payments	10,806
Less amount representing interest	(2,317)
Present value of minimum lease payments	\$ 8,489

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

9. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects MACOA's financial assets as of September 30, 2023 and 2022, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, restricted by an outside donor for a specific time or purpose, or because the governing board has set aside the funds for specific contingency reserves and projects.

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 130,794	\$ 744,882
Receivables	45,206	54,965
Investments	1,186,960	496,013
Financial assets, at year end	1,362,960	1,295,860
Less those unavailable for general expenditure within one year, due to:		
Assets and accumulated earnings subject to purpose restrictions beyond one year	(483,401)	(464,405)
Financial assets available to meet cash needs for general expenditures within one year	\$ 879,559	\$ 831,455

10. RETIREMENT PLAN

MACOA set up a Safe Harbor 401k plan during the current fiscal year, which is available to all employees who meet the eligibility requirements. Retirement contributions totaled \$20,813 and \$22,838 for the years ended September 30, 2023 and 2022, respectively.

11. CONTRACTUAL AGREEMENTS

MACOA performs various services under contracts that are subject to review and audit by federal and local agencies. Such audits could result in a request for reimbursement by the applicable agency for expenditures disallowed under the terms and conditions of the contracts. MACOA's management's opinion is that such disallowances, if any, would not be material to MACOA's financial statements.

**MONTGOMERY AREA COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

12. CONCENTRATION OF CREDIT RISK

MACOA maintains its cash in bank deposit accounts in financial institutions which at times may exceed insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. MACOA's uninsured cash balances totaled \$0 and \$353,720 as of September 30, 2023 and 2022, respectively.

SUPPLEMENTARY INFORMATION

**MONTGOMERY AREA COUNCIL ON AGING
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Senior Services	Retired and Senior Volunteer Program	Total Program Services	Management and General	Capital Campaign	Renovation and Maintenance	Total
REVENUE, GAINS AND OTHER SUPPORT							
Contributions	\$ 58,415	\$ -	\$ 58,415	\$ -	\$ -	\$ 10,000	\$ 68,415
Miscellaneous revenue	-	-	-	3,034	-	-	3,034
TOTAL REVENUE, GAINS AND OTHER SUPPORT	58,415	-	58,415	3,034	-	10,000	71,449
EXPENSES AND ADDITIONS SATISFYING RESTRICTIONS							
Meals on Wheels	11,527	-	11,527	-	-	-	11,527
Frozen meals	30,176	-	30,176	-	-	-	30,176
Recognition expense	-	387	387	-	-	-	387
Special activities	6,845	316	7,161	-	-	-	7,161
Committee expense	-	-	-	3,201	-	-	3,201
TOTAL EXPENSES AND ADDITIONS SATISFYING RESTRICTIONS	48,548	703	49,251	3,201	-	-	52,452
CHANGES IN NET ASSETS	9,867	(703)	9,164	(167)	-	10,000	18,997
NET ASSETS AT BEGINNING OF YEAR	222,497	8,597	231,094	534	180,775	52,001	464,404
NET ASSETS AT END OF YEAR	<u>\$ 232,364</u>	<u>\$ 7,894</u>	<u>\$ 240,258</u>	<u>\$ 367</u>	<u>\$ 180,775</u>	<u>\$ 62,001</u>	<u>\$ 483,401</u>

See independent auditors' report.

**MONTGOMERY AREA COUNCIL ON AGING
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Senior Services	Retired and Senior Volunteer Program	Total Program Services	Management and General	Capital Campaign	Renovation and Maintenance	Total
REVENUE, GAINS AND OTHER SUPPORT							
Contributions	\$ 53,623	\$ -	\$ 53,623	\$ -	\$ -	\$ -	\$ 53,623
Miscellaneous revenue	-	500	500	2,395	-	-	2,895
TOTAL REVENUE, GAINS AND OTHER SUPPORT	53,623	500	54,123	2,395	-	-	56,518
EXPENSES AND ADDITIONS SATISFYING RESTRICTIONS							
Covid relief	30,921	-	30,921	-	-	-	30,921
Meals on Wheels	48,349	-	48,349	-	-	-	48,349
Frozen meals	35,358	-	35,358	-	-	-	35,358
Recognition expense	-	680	680	-	-	-	680
Special activities	5,036	92	5,128	-	-	-	5,128
Committee expense	-	-	-	2,849	-	-	2,849
Building renovation and maintenance	-	-	-	-	2,891	-	2,891
TOTAL EXPENSES AND ADDITIONS SATISFYING RESTRICTIONS	119,664	772	120,436	2,849	2,891	-	126,176
CHANGES IN NET ASSETS	(66,041)	(272)	(66,313)	(454)	(2,891)	-	(69,658)
NET ASSETS AT BEGINNING OF YEAR	288,538	8,869	297,407	988	183,666	52,001	534,062
NET ASSETS AT END OF YEAR	<u>\$ 222,497</u>	<u>\$ 8,597</u>	<u>\$ 231,094</u>	<u>\$ 534</u>	<u>\$ 180,775</u>	<u>\$ 52,001</u>	<u>\$ 464,404</u>

See independent auditors' report.