

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

MANAGEMENT LETTER

AUGUST 31, 2019 AND 2018



Brenda J. McGivern, P.C.  
Certified Public Accountant

To the Board of Directors of  
New England Educational Opportunity Association  
77 Massachusetts Ave. Rm N52-130  
Cambridge, MA 02139

During the course of reviewing the financial statements for the year ended August 31, 2019, the following items came to our attention that we believe you should address during the coming year.

### General Accounting Procedures

We noted that the Organization does not have an accounting procedures manual. There may be an assumption that because the Organization's accounting system is relatively simple there is no need for a manual. However, written procedures, instructions and assignment of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures and or other situations that can result in inaccurate or untimely financial records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. Furthermore, an accounting procedures manual can be useful as jobs are moved from one person to another.

We understand that the Organization has begun the process of developing an accounting procedures manual. I was emailed a copy of the fiscal policies this year. It's a great start to an accounting procedures manual.

It is a pleasure to work with people who have an interest in the Organization and its operations as represented by you and your staff. We would be happy to meet with you and any of your staff to further discuss the implementation of these suggestions, if you believe it would be beneficial.

*Brenda J. McGivern CPA*

March 27, 2020

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NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
FINANCIAL REPORT  
AUGUST 31, 2019 AND 2018

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

AUGUST 31, 2019 AND 2018

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Brenda J. McGivern, P.C.  
Certified Public Accountant

## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of  
New England Educational Opportunity Association  
77 Massachusetts Ave. Rm N52-130  
Cambridge, MA 02139

We have reviewed the accompanying statements of financial position of New England Educational Opportunity Association (a non-profit corporation) as of August 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is to express and opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Brenda J. McGivern CPA*

March 27, 2020

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NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
 STATEMENTS OF FINANCIAL POSITION  
 AUGUST 31, 2019 and 2018  
 SEE INDEPENDENT ACCOUNTANTS' REPORT

	2019	2018
<hr/>		
ASSETS		
Cash	\$ 138,630	\$ 141,444
Prepaid Expenses and Deposits	10,000	4,053
Investments - Short Term	<u>30,205</u>	<u>19,682</u>
Total Current Assets	178,835	165,179
Investments - Long Term	<u>59,032</u>	<u>69,383</u>
Total Assets	<u>\$ 237,867</u>	<u>\$ 234,562</u>
NET ASSETS		
Unrestricted	<u>\$ 237,867</u>	<u>\$ 234,562</u>
Total Net Assets	<u>\$ 237,867</u>	<u>\$ 234,562</u>

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEARS ENDED AUGUST 31, 2019 and AUGUST 31, 2018  
 SEE INDEPENDENT ACCOUNTANTS' REPORT

	2019	2018
<b>SUPPORT AND REVENUE</b>		
Annual Conference	\$ 108,686	\$ 114,972
National Trio Day	39,030	41,565
Member and State Dues	18,795	19,125
Leadership Institute	6,500	-
Professional Development Reg Fees	945	975
Miscellaneous Income	-	-
Interest Income	171	176
General Foundation Support	<u>16,005</u>	<u>11,000</u>
Total Support and Revenue	<u>190,132</u>	<u>187,813</u>
<b>EXPENSES</b>		
Annual Conference	43,670	58,417
Council for Opportunities in Education	46,367	40,632
National Trio Day	44,596	49,036
Leadership Institute	14,830	3,300
General & Administrative	<u>37,364</u>	<u>42,568</u>
Total Expenses	<u>186,827</u>	<u>193,953</u>
INCREASE IN NET ASSETS	3,305	(6,140)
NET ASSETS, Beginning of Year	<u>234,562</u>	<u>240,702</u>
NET ASSETS, End of Year	<u><u>\$ 237,867</u></u>	<u><u>\$ 234,562</u></u>

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED AUGUST 31, 2019 and AUGUST 31, 2018  
SEE INDEPENDENT ACCOUNTANTS' REPORT

	2019	2018
Annual Conference		
Hotel	\$ 42,345	\$ 54,382
Printing		1,572
Committee Expense	35	761
Speaker Fees		755
Miscellaneous		546
Refunds	870	300
Supplies	420	101
Total Annual Conference	<u>43,670</u>	<u>58,417</u>
Council for Opportunities in Education		
Policy Seminar	27,365	22,529
Travel	14,577	12,817
Dues	4,000	4,000
Other	-	683
Advertising	425	500
Gift Basket	-	103
Fair Share Contribution	-	-
Total Council for Opportunities in Education	<u>46,367</u>	<u>40,632</u>
National Trio Day		
Hotel and Food	31,865	39,248
Transportation	9,328	8,038
Refunds	880	1,250
Entertainment	650	500
Miscellaneous	373	-
Speaker Fees	1,500	-
Total National Trio Day	<u>44,596</u>	<u>49,036</u>
Leadership Institute		
Director Contract	3,000	3,000
Hotel and Food	9,156	300
Faculty	2,315	-
Travel	359	-
Total Leadership Institute	<u>14,830</u>	<u>3,300</u>
General and Administrative		
Board/Committee Travel and Meetings	19,922	16,094
Member Professional Development	1,582	8,046
Professional Fees	4,895	4,424
Committee Expenses	2,765	3,416
Bonding and Insurance	2,376	2,376
President Account	558	1,916
NEOA Achiever Expenses	-	1,759
Bank and Paypal Fees	2,313	1,756
President - Elect	700	1,009
Website and Software Expenses	1,096	765
Affiliate Memberships	500	500
Association Awards	465	340
Treasurer	192	113
Miscellaneous	-	54
Total General and Administrative	<u>37,364</u>	<u>42,568</u>
Total Functional Expenses	<u>\$ 186,827</u>	<u>\$ 193,953</u>



NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2019 and AUGUST 31, 2018  
SEE INDEPENDENT ACCOUNTANTS' REPORT

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,305	\$ (6,140)
Adjustments to Reconcile Excess of Support and Revenue Over Expenses to Net Cash Provided by Operating Activities		
Change in Prepaid Expenses and Deposits	<u>(5,947)</u>	<u>5,947</u>
Net Cash (Used In) Provided by Operating Activities	<u>(2,642)</u>	<u>(193)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Short-Term Investments	(10,523)	37,141
Decrease/(Increase) in Long-Term Investments	<u>10,351</u>	<u>(37,305)</u>
Net Cash Used for Investing Activities	<u>(172)</u>	<u>(164)</u>
Net (Decrease) Increase in cash and cash equivalents	(2,814)	(357)
Cash and cash equivalents, Beginning of Year	<u>141,444</u>	<u>141,801</u>
Cash and cash equivalents, End of Year	<u>\$ 138,630</u>	<u>\$ 141,444</u>

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019 and 2018  
*SEE INDEPENDENT ACCOUNTANTS' REPORT*

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NOTE 1. SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES

Operations:

New England Educational Opportunity Association (NEOA) is a Massachusetts not-for-profit corporation chartered in 1976. NEOA's mission is to advocate for access to and success in postsecondary education for low income individuals, minority group members, first generation college students and college students with disabilities. NEOA also works to develop the skills and knowledge of educational opportunity professionals working with this population.

NEOA qualifies as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Accounting policies:

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

A. Basis of accounting

The Organization maintains its books and recorded on an accrual basis of accounting, which recognizes expenses as incurred and income as earned, and accordingly reflects all significant receivables, payables and other liabilities.

B. Basis of presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Investments

Short-Term Investments are comprised of Certificates of Deposit with maturity dates of one year or less. Long-Term Investments are comprised of Certificates of Deposit with a maturity date of more than one year.

D. Advertising

The production costs of advertising are expensed as incurred.

E. Use of estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

F. Donated Services

No amounts have been reflected in the financial statements for donated services. NEOA generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist NEOA with its charitable mission.

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2019 and 2018  
 SEE INDEPENDENT ACCOUNTANTS' REPORT

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NOTE 2. CASH

An analysis of cash as of August 31, 2019 and August 31, 2018 is as follows:

2019	Cash in bank and deposits in transit	Less outstanding checks	Carrying amount
Checking account	\$ 143,856	\$ 5,226	\$ 138,630
	<u>\$ 143,856</u>	<u>\$ 5,226</u>	<u>\$ 138,630</u>
2018			
Checking account	\$ 148,036	\$ 6,592	\$ 141,444
	<u>\$ 148,036</u>	<u>\$ 6,592</u>	<u>\$ 141,444</u>

NOTE 3. INVESTMENTS

An analysis of investments as of August 31, 2019 and August 31, 2018 is as follows:

	2019	2018
Certificates of Deposit - Short-Term	\$ 30,205	\$ 19,682
Certificates of Deposit - Long-Term	<u>59,032</u>	<u>69,383</u>
Total investments	<u>\$ 89,237</u>	<u>\$ 89,065</u>

NOTE 4. FEDERAL DEPOSITORY INSURANCE CORPORATION (FDIC)

The bank balances (Cash and Investments) are covered by the Federal Depository Insurance Corporation (FDIC) to the limit of \$250,000 per bank at August 31, 2019 and 2018. This limit was not exceeded at August 31, 2019 and 2018.

NOTE 5. SUBSEQUENT EVENTS

The Organization's management has included in the financial statements all contingencies and significant transactions that might influence the user's conclusions about the Organization's Statements of Financial Condition, Statement of Activities and Changes in Net Assets, Statements of Functional Expenses, and Statement of Cash Flows, through and as of March 27, 2020 the issuance date of the Independent Accountants' Report.