

Eldercare Alliance, Inc.
Financial Statements
and
Independent Auditors' Report
June 30, 2015

Eldercare Alliance, Inc.

June 30, 2015

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Daniel Dennis & Company LLP

Certified Public Accountants

Independent Auditors' Report

The Board of Directors
Eldercare Alliance, Inc.

We have audited the accompanying financial statements of Eldercare Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related 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 the entity'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 the entity'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 Eldercare Alliance, Inc. as of June 30, 2015, 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 Matters

Report on Summarized Comparative Information

We have previously audited the organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Unaudited information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The additional information included in the supplemental *Schedule of Affiliate Costs* on page 12 for the year ended June 30, 2015 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Daniel Dennis & Company LLP

December 10, 2015

Eldercare Alliance, Inc.
Statement of Financial Position
June 30, 2015 with Comparative Totals for 2014

Assets:	<i>2015</i>	<i>2014</i>
<i>Current Assets:</i>		
Cash	\$ 22,616	\$ 26,307
Accounts receivable	<u>180,523</u>	<u>163,951</u>
Total current assets	<u>203,139</u>	<u>190,258</u>
Total assets	<u><u>\$ 203,139</u></u>	<u><u>\$ 190,258</u></u>
Liabilities and Net Assets:		
<i>Current Liabilities:</i>		
Accounts payable	\$ 159,102	\$ 144,300
Other liabilities	<u>26,106</u>	<u>26,106</u>
Total current liabilities	<u>185,208</u>	<u>170,406</u>
Total liabilities	<u>185,208</u>	<u>170,406</u>
<i>Net Assets:</i>		
Unrestricted	(745)	1,176
Temporarily restricted	<u>18,676</u>	<u>18,676</u>
Total net assets	<u>17,931</u>	<u>19,852</u>
Total liabilities and net assets	<u><u>\$ 203,139</u></u>	<u><u>\$ 190,258</u></u>

See accompanying notes to financial statements.

Eldercare Alliance, Inc.
Statement of Activities
For the Year Ended June 30, 2015 with Comparative Totals for 2014

	<i>2015</i>	<i>2014</i>
Change in Unrestricted Net Assets		
Revenue and Other Support:		
Grant income	\$ 87,000	\$ 84,750
Cost sharing income	483,501	442,652
Other	<u>6,830</u>	<u>26,405</u>
Total revenue and other support	<u>577,331</u>	<u>553,807</u>
Expenses:		
Elder info	570,502	526,033
Management and general	<u>8,750</u>	<u>37,180</u>
Total expenses	<u>579,252</u>	<u>563,213</u>
Change in unrestricted net assets	<u>(1,921)</u>	<u>(9,406)</u>
Change in Temporarily Restricted Net Assets	<u>-</u>	<u>-</u>
Change in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>
Change in total net assets	(1,921)	(9,406)
Total net assets at beginning of year	<u>19,852</u>	<u>29,258</u>
Total net assets at end of year	<u><u>\$ 17,931</u></u>	<u><u>\$ 19,852</u></u>

See accompanying notes to financial statements.

Eldercare Alliance, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2015 with Comparative Totals for 2014

	<i>Program Expense</i>	<i>Management and General</i>	<i>2015 Total</i>	<i>2014 Total</i>
Audit	\$ -	\$ 8,500	\$ 8,500	\$ 9,740
Dues and subscriptions	-	250	250	250
Payments to affiliates	570,502	-	570,502	552,139
Miscellaneous	-	-	-	1,084
Total expenses	<u>\$ 570,502</u>	<u>\$ 8,750</u>	<u>\$ 579,252</u>	<u>\$ 563,213</u>

See accompanying notes to financial statements.

Eldercare Alliance, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2015 with Comparative Totals for 2014

	<i>2015</i>	<i>2014</i>
Cash Flows from Operating Activities		
Change in total net assets	\$ (1,921)	\$ (9,406)
<i>Change in operating assets and liabilities:</i>		
Accounts receivable	(16,572)	14,859
Accounts payable	<u>14,802</u>	<u>(24,832)</u>
Net cash flows used in operating activities	<u>(3,691)</u>	<u>(19,379)</u>
Change in cash	(3,691)	(19,379)
Cash - beginning of year	<u>26,307</u>	<u>45,686</u>
Cash - end of year	<u><u>\$ 22,616</u></u>	<u><u>\$ 26,307</u></u>

See accompanying notes to financial statements.

Eldercare Alliance, Inc.
Notes to Financial Statements
June 30, 2015 with Comparative Totals for 2014

1. Operations

Eldercare Alliance, Inc. (the Alliance) is a nonprofit corporation established under Internal Revenue Code Section 501(c)(3). The following nonprofit corporations formed the Alliance: Central Boston Elder Services, Inc. (CBES), Boston Senior Home Care, Inc. (BSHC) and Southwest Boston Senior Services, Inc. (Ethos), (the Boston Elder Agencies). The Alliance's primary purpose is to provide program support for each of the Boston Elder Agencies in the form of collaborative programs.

The Alliance relies on the support of the Boston Elder Agencies to provide cost sharing funding as well as their personnel and administrative services to operate the various programs within the Alliance.

Programs

The Alliance operated the following program during 2015 and 2014:

- *Elder INFO* - Provides information and referral services to Boston elders.

During fiscal year 2015 the Home Care Pilot Program was not operating and no expenses were incurred by the Alliance.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Alliance are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America (GAAP).

Revenue and Expenses

Revenue and expenses are recognized on the accrual basis of accounting. Pursuant to this method, revenues are recognized when earned and expenses are recorded when services are incurred and goods are received. Program services provided by the Boston Elder Agencies to the Alliance are recorded as payments to affiliates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and all highly liquid investments with an original maturity of three-months or less. As of June 30, 2015 and 2014 the Alliance held no cash equivalents.

Financial Statement Format/Contributions

The Alliance's net assets, revenues, expenses, gains and losses are classified into three categories - permanently restricted, temporarily restricted and unrestricted, based on the existence or absence of donor imposed restrictions. The Alliance did not have any permanently restricted net assets as of June 30, 2015 and 2014.

Eldercare Alliance, Inc.
Notes to Financial Statements - *continued*
June 30, 2015 with Comparative Totals for 2014

2. *Summary of Significant Accounting Policies - continued*

Financial Statement Format/Contributions - continued

Contributions are recognized as revenue at fair value in the period the contribution is received or promised. The Alliance distinguishes between contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets.

The Alliance reports any gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purchase restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions received where related restrictions are met in the same reporting period are classified as unrestricted revenue. Board and external source designated funds are recorded as such in unrestricted net assets.

Functional Expenses

Functional expenses are allocated to the various programs and management and general based on direct expenses, which can be identified to the program or activity.

Use of Estimates

The financial statements have been prepared in accordance GAAP. In preparing the financial statements management is required to make estimates and assumptions that affect the reported amounts and disclosures of certain assets and liabilities as of the date of the financial statements. Accordingly, actual results could differ from those estimates.

Comparative Totals

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 GAAP. Accordingly, such information should be read in conjunction with the Alliance's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Income Taxes

The Alliance 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, 2015 and 2014, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Eldercare Alliance, Inc.
Notes to Financial Statements - *continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies - continued

Income Taxes - continued

Additionally, the Alliance evaluates its 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 taxing 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 current year financial statements. The Alliance has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its fiscal year 2015 returns and believe they are *more-likely-than-not* of being sustained if examined by Federal or state tax authorities. The Alliance's 2012 through 2014 fiscal years remain subject to examination by Federal and state tax authorities.

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience and accounts receivable are charged off when deemed uncollectible. At June 30, 2015 and 2014, management has considered all accounts receivable to be fully collectable.

3. Credit Risk - Cash

At June 30, 2015 and 2014, the bank balance of the cash accounts, not including outstanding items, was \$59,690 and \$26,307, respectively. These balances, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. Management acknowledges the possibility of risk in this arrangement; however, they believe the size and longevity of the depository institution minimizes such risk.

4. Accounts Receivable

Accounts receivable consists of billings for shared costs provided to the Boston Elder Agencies for the collaborative programs. At June 30, 2015 and 2014, the outstanding accounts receivable consists of the following:

	<i>2015</i>	<i>2014</i>	
CBES	\$ 58,506	\$ 46,630	
BSHC	60,435	75,692	
Ethos	39,832	27,129	
Other	21,750	14,500	
	<u>180,523</u>	<u>163,951</u>	
Total	<u>\$ 180,523</u>	<u>\$ 163,951</u>	

Eldercare Alliance, Inc.
Notes to Financial Statements - *continued*
June 30, 2015 with Comparative Totals for 2014

5. *Related Party Transactions*

The Boston Elder Agencies entered into a collaborative agreement to fund the Alliance's operations on their behalf within the Elder INFO program. Consequently, the following related party transactions were incurred:

Revenue and Receivables

The Boston Elder Agencies provided their support for a proportional share of the cost of each of the Alliance's programs. During fiscal years 2015 and 2014, BSHC provided \$203,184 and \$157,268, CBES provided \$133,731 and \$143,929 and Ethos provided \$146,586 and \$141,455, respectively. See Note 4 above for further information.

Accounts Payable and Other Liabilities

At June 30, 2015 and 2014, the Alliance owes BSHC \$159,102 and \$144,300, respectively, for the reimbursement of the costs incurred for support of the Alliance's activities.

In addition, during fiscal year 2013, the Alliance received \$26,106 from the Boston Elder Agencies for costs which were incurred by CBES on behalf of the Alliance. During fiscal year 2014, CBES billed the Alliance for these costs and the revenue and related expenses were recognized by the Alliance on the *Statement of Activities*. At June 30, 2015 and 2014, the Alliance owes CBES \$26,106.

Elder INFO

The Elder INFO program is operated by BSHC which billed the Alliance \$570,502 and \$526,033, for the cost of the program during fiscal year 2015 and 2014, respectively.

6. *Temporarily Restricted Net Assets*

As of June 30, 2015 and 2014, the Alliance's temporarily restricted net assets were restricted for use in the Home Care Pilot Program.

7. *Concentrations*

During fiscal year 2015 and 2014, the Alliance received approximately 85%, respectively, of its revenue and other support and incurred 98%, respectively, of its expenses with the Boston Elder Agencies to support its programs.

Eldercare Alliance, Inc.
Notes to Financial Statements - *continued*
June 30, 2015 with Comparative Totals for 2014

8. *Subsequent Events*

The Alliance has performed an evaluation of subsequent events through December 10, 2015, which is the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2015 that require recognition or disclosure in these financial statements.

Eldercare Alliance, Inc.
Schedule of Affiliate Costs - *Unaudited*
For the Year Ended June 30, 2015

	<i>BSHC</i>
Salaries & Fringe Benefits:	
Salaries	\$ 324,942
Fringe benefits	<u>73,020</u>
Total salaries & fringe benefits	<u>397,962</u>
Contract Services:	
Training	1,702
Data processing	<u>2,867</u>
Total contract services	<u>4,569</u>
Support Expenses:	
Telephone	328
Postage	464
Office supplies	2,014
Insurance	1,204
Dues and subscriptions	<u>2,338</u>
Total support expenses	<u>6,348</u>
Occupancy Expenses:	
Utilities	2,178
Building and repair maintenance	1,928
Rent	<u>32,329</u>
Total occupancy expenses	<u>36,435</u>
Travel	<u>5,690</u>
Equipment:	
Depreciation	3,536
Equipment rental/purchase	<u>516</u>
Total equipment	<u>4,052</u>
Other Expenses:	
Miscellaneous expense	6,752
Administrative fee	<u>117,541</u>
Total other expenses	<u>124,293</u>
Total expenses	579,349
Payment from the Alliance	<u>570,502</u>
Difference	<u><u>\$ (8,847)</u></u>