

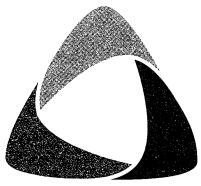


FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

SPRINGWELL, INC.

Contents
June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors of
Springwell, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Springwell, Inc. (a Massachusetts corporation, not for profit), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 Springwell, 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.

Prior Period Financial Statements

The financial statements of Springwell, Inc. as of June 30, 2014, were audited by other auditors whose report dated October 23, 2014, expressed an unmodified opinion on those financial statements.

Alexander, Brown, Pinning & Co., P.C.

Boston, Massachusetts
October 22, 2015

SPRINGWELL, INC.Statements of Financial Position
June 30, 2015 and 2014

Assets	2015	2014
Current Assets:		
Cash	\$ 2,919,684	\$ 1,678,459
Accounts receivable	5,503,289	4,919,526
Prepaid expenses	121,486	97,219
Total current assets	<u>8,544,459</u>	<u>6,695,204</u>
Security Deposits	<u>76,040</u>	<u>76,040</u>
Property and Equipment:		
Equipment	582,544	543,341
Furnishings	264,236	264,236
Leasehold improvements	104,355	92,338
	<u>951,135</u>	<u>899,915</u>
Less - accumulated depreciation	<u>594,921</u>	<u>462,410</u>
Net property and equipment	<u>356,214</u>	<u>437,505</u>
Total assets	<u>\$ 8,976,713</u>	<u>\$ 7,208,749</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of capital lease obligations	\$ 16,808	\$ 20,877
Accounts payable, accrued expenses and other	2,892,773	2,553,685
Deferred rent	130,681	107,089
Total current liabilities	<u>3,040,262</u>	<u>2,681,651</u>
Capital Lease Obligations, net of current portion	<u>-</u>	<u>16,808</u>
Total liabilities	<u>3,040,262</u>	<u>2,698,459</u>
Net Assets:		
Unrestricted:		
Operating	4,970,788	3,711,361
Designated	433,655	279,784
Property and equipment	339,406	399,820
Total unrestricted	<u>5,743,849</u>	<u>4,390,965</u>
Temporarily restricted	<u>192,602</u>	<u>119,325</u>
Total net assets	<u>5,936,451</u>	<u>4,510,290</u>
Total liabilities and net assets	<u>\$ 8,976,713</u>	<u>\$ 7,208,749</u>

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.
**Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2015 and 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Contract revenue	\$ 33,729,838	\$ -	\$ 33,729,838	\$ 30,190,683	\$ -	\$ 30,190,683
Program service fees	461,450	-	461,450	432,830	-	432,830
Contributions and grants	327,335	89,709	417,044	325,560	41,274	366,834
In-kind revenue	67,033	-	67,033	66,135	-	66,135
Interest income	5,629	-	5,629	5,426	-	5,426
Net assets released from purpose restrictions	16,432	(16,432)	-	22,930	(22,930)	-
Total revenues	34,607,717	73,277	34,680,994	31,043,564	18,344	31,061,908
Expenses:						
Program services:						
Home care services to elders	28,828,058	-	28,828,058	25,846,438	-	25,846,438
Nursing home screening	364,474	-	364,474	506,534	-	506,534
Nutrition and community services	1,385,206	-	1,385,206	1,398,455	-	1,398,455
Protective services	1,054,884	-	1,054,884	887,327	-	887,327
Total program services	31,632,622	-	31,632,622	28,638,754	-	28,638,754
Support services:						
General and administrative	1,501,948	-	1,501,948	1,441,848	-	1,441,848
Fundraising	120,263	-	120,263	75,016	-	75,016
Total support services	1,622,211	-	1,622,211	1,516,864	-	1,516,864
Total expenses	33,254,833	-	33,254,833	30,155,618	-	30,155,618
Changes in net assets	1,352,884	73,277	1,426,161	887,946	18,344	906,290
Net Assets:						
Beginning of year	4,390,965	119,325	4,510,290	3,503,019	100,981	3,604,000
End of year	\$ 5,743,849	\$ 192,602	\$ 5,936,451	\$ 4,390,965	\$ 119,325	\$ 4,510,290

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,426,161	\$ 906,290
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	149,685	146,647
Loss on disposal of property and equipment	-	772
Changes in operating assets and liabilities:		
Accounts receivable	(583,763)	(1,035,127)
Prepaid expenses	(24,267)	(3,426)
Accounts payable, accrued expenses and other	339,088	344,222
Deferred rent	<u>23,592</u>	<u>35,289</u>
Net cash provided by operating activities	1,330,496	394,667
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(68,394)	(127,634)
Cash Flows from Financing Activities:		
Payment of capital lease obligation	<u>(20,877)</u>	<u>(19,760)</u>
Net Change in Cash	1,241,225	247,273
Cash:		
Beginning of year	<u>1,678,459</u>	<u>1,431,186</u>
End of year	<u>\$ 2,919,684</u>	<u>\$ 1,678,459</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 1,508</u>	<u>\$ 2,626</u>
Supplemental Disclosure of Non-Cash Activity:		
Cost of equipment disposed	<u>\$ 17,174</u>	<u>\$ 7,013</u>

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2015

(With Summarized Comparative Totals for the Year Ended June 30, 2014)

	2015					2014				
	Program Services				Total Programs	Support Services		Total		
	Home Care Service to Elders	Nursing Home Screening	Nutrition and Community Services	Protective Services		General and Administrative	Fundraising		Total Support Services	
Contracted Services	\$ 24,786,404	\$ -	\$ 209,635	\$ -	\$ 24,996,039	\$ -	\$ -	\$ -	\$ 24,996,039	\$ 22,256,497
Personnel and Related:										
Salaries and wages	2,826,714	255,889	696,873	696,021	4,475,497	793,822	77,764	871,586	5,347,083	5,226,114
Payroll taxes and fringe benefits	642,231	58,167	164,335	157,894	1,022,627	179,751	17,616	197,367	1,219,994	1,123,751
Total personnel and related costs	3,468,945	314,056	861,208	853,915	5,498,124	973,573	95,380	1,068,953	6,567,077	6,349,865
Occupancy:										
Rent	221,689	13,071	51,022	52,128	337,910	156,631	7,520	164,151	502,061	505,837
Depreciation	47,436	1,665	7,861	6,147	63,109	85,797	779	86,576	149,685	146,647
Repairs and maintenance	8,193	346	1,244	1,288	11,071	47,772	186	47,958	59,029	63,496
Utilities	9,473	558	2,150	2,227	14,408	6,689	321	7,010	21,418	17,682
Total occupancy	286,791	15,640	62,277	61,790	426,498	296,889	8,806	305,695	732,193	733,662
Other:										
Professional fees	74,640	25,354	111,406	91,595	302,995	113,024	536	113,560	416,555	315,973
Staff training and travel	67,757	3,368	18,238	24,023	113,386	13,241	-	13,241	126,627	150,846
Program support	66,427	2,146	13,116	6,663	88,352	-	-	-	88,352	72,786
In-kind	-	-	67,033	-	67,033	-	-	-	67,033	66,135
Dues and subscriptions	2,091	-	6,801	-	8,892	45,019	9,658	54,677	63,569	39,934
Office supplies	26,079	1,295	8,034	4,781	40,189	8,244	1,526	9,770	49,959	47,320
Printing and postage	30,350	774	9,795	3,513	44,432	3,264	1,923	5,187	49,619	34,571
Advertising	18,574	1,841	17,663	4,687	42,765	5,223	-	5,223	47,988	44,389
Insurance	-	-	-	-	-	33,480	-	33,480	33,480	31,399
Miscellaneous	-	-	-	3,917	3,917	3,055	2,434	5,489	9,406	5,305
Leased equipment	-	-	-	-	-	6,936	-	6,936	6,936	6,936
Total other operating expenses	285,918	34,778	252,086	139,179	711,961	231,486	16,077	247,563	959,524	815,594
Total operating expenses before allocation of general and administrative expenses	28,828,058	364,474	1,385,206	1,054,884	31,632,622	1,501,948	120,263	1,622,211	33,254,833	30,155,618
General and Administrative Allocation	929,798	86,048	231,225	229,268	1,476,339	(1,501,948)	25,609	(1,476,339)	-	-
Total operating expenses	\$ 29,757,856	\$ 450,522	\$ 1,616,431	\$ 1,284,152	\$ 33,108,961	\$ -	\$ 145,872	\$ 145,872	\$ 33,254,833	\$ 30,155,618

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program Services				Support Services				
	Home Care Service to Elders	Nursing Home Screening	Nutrition and Community Services	Protective Services	Total Programs	General and Administrative	Fundraising	Total Support Services	Total
Contracted Services	\$ 21,825,715	\$ -	\$ 430,782	\$ -	\$ 22,256,497	\$ -	\$ -	\$ -	\$ 22,256,497
Personnel and Related:									
Salaries and wages	2,733,384	378,175	560,442	651,824	4,323,825	857,921	44,368	902,289	5,226,114
Payroll taxes and fringe benefits	585,934	82,827	125,551	138,191	932,503	181,838	9,410	191,248	1,123,751
Total personnel and related costs	3,319,318	461,002	685,993	790,015	5,256,328	1,039,759	53,778	1,093,537	6,349,865
Occupancy:									
Rent	305,626	25,727	64,392	48,306	444,051	55,632	6,154	61,786	505,837
Depreciation	54,872	3,473	7,423	5,524	71,292	74,576	779	75,355	146,647
Repairs and maintenance	1,290	-	-	-	1,290	62,206	-	62,206	63,496
Utilities	10,771	907	2,243	1,703	15,624	1,841	217	2,058	17,682
Total occupancy	372,559	30,107	74,058	55,533	532,257	194,255	7,150	201,405	733,662
Other:									
Professional fees	153,174	849	72,713	1,263	227,999	86,660	1,314	87,974	315,973
Staff training and travel	62,177	4,620	33,060	26,456	126,313	21,409	3,124	24,533	150,846
Program support	51,146	4,018	13,386	4,236	72,786	-	-	-	72,786
In-kind	-	-	66,135	-	66,135	-	-	-	66,135
Dues and subscriptions	1,150	-	1,801	-	2,951	35,345	1,638	36,983	39,934
Office supplies	22,848	3,213	7,583	3,795	37,439	8,717	1,164	9,881	47,320
Printing and postage	15,505	1,122	7,389	1,740	25,756	5,328	3,487	8,815	34,571
Advertising	22,846	1,603	5,555	4,289	34,293	7,579	2,517	10,096	44,389
Insurance	-	-	-	-	-	31,399	-	31,399	31,399
Miscellaneous	-	-	-	-	-	4,461	844	5,305	5,305
Leased equipment	-	-	-	-	-	6,936	-	6,936	6,936
Total other operating expenses	328,846	15,425	207,622	41,779	593,672	207,834	14,088	221,922	815,594
Total operating expenses before allocation of general and administrative expenses	25,846,438	506,534	1,398,455	887,327	28,638,754	1,441,848	75,016	1,516,864	30,155,618
General and Administrative Allocation	901,292	125,175	186,268	214,512	1,427,247	(1,441,848)	14,602	(1,427,247)	-
Total operating expenses	\$ 26,747,730	\$ 631,709	\$ 1,584,723	\$ 1,101,839	\$ 30,066,001	\$ -	\$ 89,618	\$ 89,617	\$ 30,155,618

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

1. OPERATIONS AND NONPROFIT STATUS

Springwell, Inc. (the Agency) is a Massachusetts corporation, not-for-profit, founded in 1977. Its primary purpose is to plan, develop and coordinate programs and deliver services which will enhance a person's ability to live in their home and community.

The Agency is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Agency is also exempt from state income taxes. Donors may deduct contributions made to the Agency within IRC regulations.

The programs of the Agency are substantially funded by contracts negotiated with various Federal and Commonwealth of Massachusetts agencies including the Executive Office of Elder Affairs (EOEA). The Agency operates the following programs:

Home Care Services – The *Purchase Service* component permits the Agency to subcontract with area providers for various home care services delivered through programs including, but not limited to, Home Care, Enhanced Community Options program and Community Choices. The *Case Management* component provides for administration of these programs. These programs are funded through state budget line items that are administered by the EOEA.

As a designated provider for MassHealth, the Agency operates the *Adult Foster Care Program*, and the *Personal Care Attendant Program*, all of which are intended to provide services to keep adults with disabilities in the community instead of an institution.

Nursing Home Screening - Provides various screening services, including clinical approval for Adult Day Health and Nursing Home placement, as well as actively working with nursing home residents to create opportunities to return to the community for Medicaid eligible clients.

Nutrition and Community Services - Provides meals to the elderly in their homes and at various community dining sites. Title III grants provide an array of health and social service supports, including healthy aging programs to empower people to manage chronic health conditions.

Protective Services – Provides protective services for elders who are subjects of abuse, neglect, self-neglect, or financial exploitation by family members. The Agency provides this service to residents of its eight communities plus nine communities in *MetroWest*.

2. SIGNIFICANT ACCOUNTING POLICIES

The Agency's financial statements have been prepared in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Unrestricted Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Agency. The Agency has grouped its unrestricted net assets into the following categories:

Operating net assets represent funds available to carry on the operations of the Agency.

Designated net assets represent funds that have been set aside by EOE A for use in the purchase service component of Home Care and Enhanced Programs.

Property and equipment net assets reflect the net book value of the activities relating to the Agency's property and equipment, net of related debt.

Temporarily restricted net assets include amounts received with donor restrictions which have not yet been expended for their designated purposes. Temporarily restricted net assets consist of purpose restricted grants totaling \$192,602 and \$119,325 as of June 30, 2015 and 2014, respectively.

Accounts Receivable and Allowance for Uncollectible Accounts

Included in accounts receivable are amounts for Federal and state funding, as well as program service fees which were not received by the Agency prior to year-end. It is the Agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. There was no allowance for doubtful accounts as of June 30, 2015 and 2014.

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased, or at fair value at the date of donation. Renewals and betterments in excess of \$1,000 are capitalized as additions to the related asset accounts, while repairs and maintenance are expensed as they are incurred. Capital leases are recorded as property and equipment based on net present value of the lease and amortized over the lesser of the lease term or the assets' useful life. Depreciation is computed using the straight-line method over the following estimated useful lives:

Equipment	3 years
Furnishings	7 years
Leasehold improvements	10 years

Fair Value Measurements

The Agency follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Agency would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The Agency uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Agency. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Revenue Recognition

Contract revenue is recognized over the period covered by the contract as services are provided and costs are incurred. Program service fees are recognized as services are provided. Unrestricted contributions and grants are recorded as revenue when received or unconditionally pledged. All other income is recorded as earned.

Restricted contributions and grants are recorded as temporarily restricted revenues and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as costs are incurred or time or program restrictions have lapsed. Donor restricted grants received and satisfied in the same period are included in unrestricted net assets.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated to functions based upon management's estimates.

In-kind Goods and Services

The Agency receives services of volunteers primarily for its Nutrition and Home Care programs. The value of these services is not reflected in the accompanying financial statements, since the services by the donating volunteers do not meet the recognition criteria outlined in U.S. GAAP. During fiscal years 2015 and 2014, the estimated value of these donated services was approximately \$457,000 and \$441,000, respectively.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Goods and Services (Continued)

The Agency also receives meals for its Nutrition program at a reduced rate. Accordingly, the difference between the estimated cost of the food and the price the Agency pays for the food is represented as in-kind revenue and in-kind expense in the accompanying financial statements.

Advertising

The Agency expenses help wanted advertising costs as they are incurred.

Income Taxes

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2015 and 2014. The Agency's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

Subsequent Events

Subsequent events have been evaluated through October 22, 2015, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. FUNDING

The Agency receives significant funding from various governmental sources for services rendered under cost reimbursement and unit-rate contracts. These contracts are subject to possible audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Agency as of June 30, 2015 and 2014, or on its changes in its net assets for the years then ended.

Approximately 84% and 87% of contract revenues were received from EOEА during 2015 and 2014, respectively. Approximately 79% and 87% of accounts receivable at June 30, 2015 and 2014, respectively, were due from EOEА. Approximately 15% and 7% of accounts receivable at June 30, 2015 and 2014, respectively, were due from another funding source.

4. LINE OF CREDIT

The Agency has available up to \$200,000 under a line of credit agreement with a bank. Borrowings are due on demand and interest is payable monthly at the *Wall Street Journal's* prime rate (3.25% at June 30, 2015 and 2014), but will not be less than 4% at any time. The line of credit is unsecured and is renewable annually in November by the bank. As of June 30, 2015 and 2014, there was no outstanding balance under this agreement. Under this agreement, the Agency must meet certain financial covenants. The Agency was in compliance with these covenants as of June 30, 2015 and 2014.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

5. CAPITAL LEASE OBLIGATION

The Agency leases certain equipment under capital lease agreements that expire in fiscal year 2016. The future minimum lease payments under these agreements in fiscal year 2016 total \$17,190; consisting of principal payments of \$16,808 and interest payments at a rate of 4.8% totaling \$382.

The total cost of assets under capital lease obligations was \$61,776 as of June 30, 2015 and 2014. Accumulated depreciation on assets under capital lease obligations was \$51,479 and \$30,888 as of June 30, 2015 and 2014, respectively.

6. RETIREMENT PLAN

The Agency has a defined contribution pension plan covering all eligible employees in accordance with IRC Section 401(k). Employees become eligible after completing one year of service and reaching the age of 21. The Agency matches participant contributions in a discretionary amount determined annually (6% and 4% for the years ended June 30, 2015 and 2014, respectively). Pension expense was \$256,386 and \$171,967 for the years ended June 30, 2015 and 2014, respectively, and is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

7. FACILITY LEASE

The Agency leases office space under an operating lease which expires on September 30, 2022, with a five-year option to extend, which has not been exercised as of June 30, 2015. Rental expense under the lease is calculated using the straight-line method over the term of the lease in accordance with ASC Topic, *Accounting for Leases*. Total rent expense under the lease was \$502,061 and \$505,837 for the years ended June 30, 2015 and 2014, respectively, and is reflected as rent in the accompanying statements of functional expenses. Deferred rent under this lease totaled \$130,681 and \$107,089 as of June 30, 2015 and 2014, respectively.

Future minimum facility lease payments are as follows:

2016	\$ 488,412
2017	\$ 500,111
2018	\$ 511,809
2019	\$ 523,508
2020	\$ 535,206
Thereafter	\$ 1,245,890

8. CONTINGENCIES

In the course of the Agency's business, from time-to-time, the Agency could be involved in legal disputes. In the opinion of management, there are no legal proceedings pending or involving the Agency whose outcome is likely to have a material effect on the accompanying financial statements.

9. CONCENTRATION OF CREDIT RISK

The Agency maintains its cash balances in a financial institution in Massachusetts. At certain times during the year, the balances in some of these accounts exceeded the maximum amount of insurance provided by the Federal Deposit Insurance Corporation. The Agency has not experienced any losses in such accounts. The Agency believes it is not exposed to any significant credit risk on cash.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2015 and 2014

10. DESIGNATED UNRESTRICTED NET ASSETS

Excess revenue generated from the Purchase Service and Enhanced Services Programs is calculated in accordance with the EOEI PI 93-20 "Surplus Funds Policy". The policy requires the use of any surplus generated within these programs to be utilized in the future within these programs, unless specific approval is obtained from EOEI.

The following is a summary of the designated unrestricted net assets as of and for the years ended June 30, 2015 and 2014:

<u>EOEA Program</u>	<u>2014 Total</u>	<u>2015 Activity</u>	<u>2015 Total</u>
Homecare POS	\$ 155,257	\$ 172,266	\$ 327,523
Enhanced POS	<u>124,527</u>	<u>(18,395)</u>	<u>106,132</u>
	<u>\$ 279,784</u>	<u>\$ 153,871</u>	<u>\$ 433,655</u>
	<u>2013 Total</u>	<u>2014 Activity</u>	<u>2014 Total</u>
Homecare POS	\$ 85,198	\$ 70,059	\$ 155,257
Enhanced POS	<u>57,335</u>	<u>67,192</u>	<u>124,527</u>
	<u>\$ 142,533</u>	<u>\$ 137,251</u>	<u>\$ 279,784</u>

During fiscal years 2015 and 2014, EOEI authorized the Agency to transfer up to 3% of both programs' current year revenues to cover program deficits in other EOEI programs. During fiscal years 2015 and 2014, the Agency transferred \$190,847 and \$166,680, respectively, under this provision.

11. COMMITMENTS

The Agency entered into sub-awards under the Title IIIB Support Services Program. These commitments expire as of September 30, 2015 and 2014, and total \$32,415 and \$63,879 as of June 30, 2015 and 2014, respectively.

12. RECLASSIFICATIONS

Certain amounts in the fiscal year 2014 financial statements were reclassified to conform with the fiscal year 2015 presentation.