



**FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

SPRINGWELL, INC.

Contents
June 30, 2016 and 2015

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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 statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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

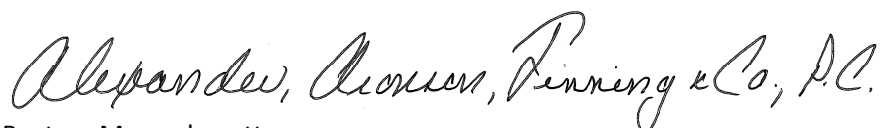
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 2016 and 2015, 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.



Boston, Massachusetts
October 27, 2016

SPRINGWELL, INC.Statements of Financial Position
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash	\$ 3,747,779	\$ 2,919,684
Accounts receivable	5,860,565	5,503,289
Prepaid expenses	115,767	121,486
Total current assets	<u>9,724,111</u>	<u>8,544,459</u>
Security Deposits	<u>76,040</u>	<u>76,040</u>
Property and Equipment:		
Equipment	589,580	582,544
Furnishings	273,343	264,236
Leasehold improvements	104,355	104,355
	<u>967,278</u>	<u>951,135</u>
Less - accumulated depreciation	<u>649,271</u>	<u>594,921</u>
Net property and equipment	<u>318,007</u>	<u>356,214</u>
Total assets	<u><u>\$10,118,158</u></u>	<u><u>\$8,976,713</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of capital lease obligations	\$ 18,758	\$ 16,808
Accounts payable, accrued expenses and other	3,001,138	2,892,773
Deferred rent	142,575	130,681
Total current liabilities	<u>3,162,471</u>	<u>3,040,262</u>
Capital Lease Obligations, net of current portion	<u>37,030</u>	<u>-</u>
Total liabilities	<u>3,199,501</u>	<u>3,040,262</u>
Net Assets:		
Unrestricted:		
Operating	6,249,569	4,970,788
Designated	351,422	433,655
Property and equipment	262,219	339,406
Total unrestricted	<u>6,863,210</u>	<u>5,743,849</u>
Temporarily restricted	<u>55,447</u>	<u>192,602</u>
Total net assets	<u>6,918,657</u>	<u>5,936,451</u>
Total liabilities and net assets	<u><u>\$10,118,158</u></u>	<u><u>\$8,976,713</u></u>

SPRINGWELL, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Contract revenue	\$35,556,885	\$ -	\$35,556,885	\$33,729,838	\$ -	\$33,729,838
Program service fees	449,745	-	449,745	461,450	-	461,450
Contributions and grants	307,122	28,586	335,708	327,335	89,709	417,044
In-kind revenue	9,650	-	9,650	67,033	-	67,033
Interest income	7,092	-	7,092	5,629	-	5,629
Net assets released from purpose restrictions	165,741	(165,741)	-	16,432	(16,432)	-
Total revenues	36,496,235	(137,155)	36,359,080	34,607,717	73,277	34,680,994
Expenses:						
Program services:						
Home care services to elders	30,721,215	-	30,721,215	28,828,058	-	28,828,058
Nursing home screening	474,736	-	474,736	364,474	-	364,474
Nutrition and community services	1,343,875	-	1,343,875	1,385,206	-	1,385,206
Protective services	1,117,171	-	1,117,171	1,054,884	-	1,054,884
Total program services	33,656,997	-	33,656,997	31,632,622	-	31,632,622
Support services:						
General and administrative	1,589,237	-	1,589,237	1,501,948	-	1,501,948
Fundraising	130,640	-	130,640	120,263	-	120,263
Total support services	1,719,877	-	1,719,877	1,622,211	-	1,622,211
Total expenses	35,376,874	-	35,376,874	33,254,833	-	33,254,833
Changes in net assets	1,119,361	(137,155)	982,206	1,352,884	73,277	1,426,161
Net Assets:						
Beginning of year	5,743,849	192,602	5,936,451	4,390,965	119,325	4,510,290
End of year	<u>\$ 6,863,210</u>	<u>\$ 55,447</u>	<u>\$ 6,918,657</u>	<u>\$ 5,743,849</u>	<u>\$ 192,602</u>	<u>\$ 5,936,451</u>

SPRINGWELL, INC.Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 982,206	\$ 1,426,161
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	143,747	149,685
Changes in operating assets and liabilities:		
Accounts receivable	(357,276)	(583,763)
Prepaid expenses	5,719	(24,267)
Accounts payable, accrued expenses and other	108,365	339,088
Deferred rent	11,894	23,592
	<u>894,655</u>	<u>1,330,496</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(46,726)	(68,394)
Cash Flows from Financing Activities:		
Payment of capital lease obligation	<u>(19,834)</u>	<u>(20,877)</u>
Net Change in Cash	828,095	1,241,225
Cash:		
Beginning of year	<u>2,919,684</u>	<u>1,678,459</u>
End of year	<u>\$ 3,747,779</u>	<u>\$ 2,919,684</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 881</u>	<u>\$ 1,508</u>
Supplemental Disclosure of Non-Cash Activity:		
Equipment financed under capital lease obligation	<u>\$ 58,814</u>	<u>\$ -</u>

SPRINGWELL, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2016

(With Summarized Comparative Totals for the Year Ended June 30, 2015)

	2016								2015	
	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	\$ 26,376,496	\$ -	\$ 230,525	\$ 25,373	\$ 26,632,394	\$ -	\$ -	\$ -	\$ 26,632,394	\$ 24,996,039
Personnel and Related:										
Salaries and wages	3,087,770	348,116	738,313	731,922	4,906,121	900,863	77,699	978,562	5,884,683	5,347,083
Payroll taxes and fringe benefits	647,096	73,052	162,353	153,430	1,035,931	188,567	16,240	204,807	1,240,738	1,219,994
Total personnel and related costs	3,734,866	421,168	900,666	885,352	5,942,052	1,089,430	93,939	1,183,369	7,125,421	6,567,077
Occupancy:										
Rent	236,123	18,965	56,032	54,863	365,983	147,958	7,867	155,825	521,808	502,061
Depreciation	42,820	1,715	7,403	6,540	58,478	84,490	779	85,269	143,747	149,685
Repairs and maintenance	1,189	-	725	-	1,914	64,811	44	64,855	66,769	59,029
Utilities	9,156	736	2,147	2,128	14,167	5,735	305	6,040	20,207	21,418
Total occupancy	289,288	21,416	66,307	63,531	440,542	302,994	8,995	311,989	752,531	732,193
Other:										
Professional fees	103,379	22,556	35,872	96,282	258,089	85,147	152	85,299	343,388	416,555
Staff training and travel	71,066	3,636	22,457	23,089	120,248	8,945	50	8,995	129,243	126,627
Program support	68,242	2,765	22,510	9,855	103,372	-	-	-	103,372	88,352
Advertising	32,156	357	29,889	5,988	68,390	5,054	-	5,054	73,444	47,988
Dues and subscriptions	3,063	-	9,002	-	12,065	42,870	9,959	52,829	64,894	63,569
Office supplies	24,076	1,925	8,337	4,972	39,310	8,003	1,177	9,180	48,490	49,959
Printing and postage	18,583	913	8,660	2,729	30,885	2,901	13,255	16,156	47,041	49,619
Insurance	-	-	-	-	-	34,784	-	34,784	34,784	33,480
In-kind	-	-	9,650	-	9,650	-	-	-	9,650	67,033
Leased equipment	-	-	-	-	-	6,936	-	6,936	6,936	6,936
Miscellaneous	-	-	-	-	-	2,173	3,113	5,286	5,286	9,406
Total other operating expenses	320,565	32,152	146,377	142,915	642,009	196,813	27,706	224,519	866,528	959,524
Total operating expenses before allocation of general and administrative expenses	30,721,215	474,736	1,343,875	1,117,171	33,656,997	1,589,237	130,640	1,719,877	35,376,874	33,254,833
General and Administrative Allocation	983,368	110,891	237,137	233,107	1,564,503	(1,589,237)	24,734	(1,564,503)	-	-
Total operating expenses	\$ 31,704,583	\$ 585,627	\$ 1,581,012	\$ 1,350,278	\$ 35,221,500	\$ -	\$ 155,374	\$ 155,374	\$ 35,376,874	\$ 33,254,833

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2015

	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	\$ 24,786,404	\$ -	\$ 209,635	\$ -	\$ 24,996,039	\$ -	\$ -	\$ -	\$ 24,996,039
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
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
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
Occupancy:									
Rent	221,689	13,071	51,022	52,128	337,910	156,631	7,520	164,151	502,061
Depreciation	47,436	1,665	7,861	6,147	63,109	85,797	779	86,576	149,685
Repairs and maintenance	8,193	346	1,244	1,288	11,071	47,772	186	47,958	59,029
Utilities	9,473	558	2,150	2,227	14,408	6,689	321	7,010	21,418
Total occupancy	286,791	15,640	62,277	61,790	426,498	296,889	8,806	305,695	732,193
Other:									
Professional fees	74,640	25,354	111,406	91,595	302,995	113,024	536	113,560	416,555
Staff training and travel	67,757	3,368	18,238	24,023	113,386	13,241	-	13,241	126,627
Program support	66,427	2,146	13,116	6,663	88,352	-	-	-	88,352
Advertising	18,574	1,841	17,663	4,687	42,765	5,223	-	5,223	47,988
Dues and subscriptions	2,091	-	6,801	-	8,892	45,019	9,658	54,677	63,569
Office supplies	26,079	1,295	8,034	4,781	40,189	8,244	1,526	9,770	49,959
Printing and postage	30,350	774	9,795	3,513	44,432	3,264	1,923	5,187	49,619
Insurance	-	-	-	-	-	33,480	-	33,480	33,480
In-kind	-	-	67,033	-	67,033	-	-	-	67,033
Leased equipment	-	-	-	-	-	6,936	-	6,936	6,936
Miscellaneous	-	-	-	3,917	3,917	3,055	2,434	5,489	9,406
Total other operating expenses	285,918	34,778	252,086	139,179	711,961	231,486	16,077	247,563	959,524
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
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

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2016 and 2015

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.

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 \$55,477 and \$192,602 as of June 30, 2016 and 2015, 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, 2016 and 2015.

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.

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 2016 and 2015, the estimated value of these donated services was approximately \$500,000 and \$457,000, respectively.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Goods and Services (Continued)

The Agency also received meals for its Nutrition program at a reduced rate through August 2015. 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, 2016 and 2015.

Subsequent Events

Subsequent events have been evaluated through October 27, 2016, 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, 2016 and 2015, or on its changes in its net assets for the years then ended.

Approximately 82% and 84% of contract revenues were received from EOEА during 2016 and 2015, respectively. Approximately 75% and 79% of accounts receivable at June 30, 2016 and 2015, respectively, were due from EOEА. Approximately 18% and 15% of accounts receivable at June 30, 2016 and 2015, respectively, were due from another funding source.

4. LINE OF CREDIT

The Agency has available up to \$600,000 (\$200,000 at June 30, 2015) 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 (3.50% and 3.25% at June 30, 2016 and 2015, respectively), 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, 2016 and 2015, 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, 2016 and 2015.

SPRINGWELL, INC.Notes to Financial Statements
June 30, 2016 and 2015

5. CAPITAL LEASE OBLIGATIONS

The Agency leases certain equipment under capital lease agreements. During fiscal year 2016, the previous leases expired and the Agency entered into a new capital lease agreement through 2019. The aggregate cost of the new assets was \$58,814 at June 30, 2016. The interest rate under the new agreement is 4%.

The future minimum lease payments under these agreements are as follows:

<u>Fiscal Years</u>	
2017	\$ 21,172
2018	21,172
2019	<u>17,643</u>
Total future minimum payments	59,987
Less - amounts representing interest	<u>4,199</u>
Present value of future minimum payments	55,788
Less - current portion	<u>18,758</u>
	<u>\$ 37,030</u>

The total cost of assets under capital lease obligations was \$58,814 and \$61,776 as of June 30, 2016 and 2015, respectively. Accumulated depreciation on assets under capital lease obligations was \$9,803 and \$51,479 as of June 30, 2016 and 2015, 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 50% of participant contributions up to 3% of an employee's annual compensation. The Agency also contributes a discretionary amount determined annually (2.5% and 6% for the years ended June 30, 2016 and 2015, respectively). Pension expense was \$143,070 and \$256,386 for the years ended June 30, 2016 and 2015, 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, 2016. 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 \$521,808 and \$502,061 for the years ended June 30, 2016 and 2015, respectively, and is reflected as rent in the accompanying statements of functional expenses. Deferred rent under this lease totaled \$142,575 and \$130,681 as of June 30, 2016 and 2015, respectively.

Future minimum facility lease payments are as follows:

2017	\$ 500,111
2018	\$ 511,809
2019	\$ 523,508
2020	\$ 535,206
2021	\$ 546,905
Thereafter	\$ 698,985

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2016 and 2015

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 financial institutions 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.

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, 2016 and 2015:

<u>EOEA Program</u>	<u>2015 Total</u>	<u>2016 Activity</u>	<u>2016 Total</u>
Homecare POS	\$ 327,523	\$ (22,946)	\$ 304,577
Enhanced POS	<u>106,132</u>	<u>(59,287)</u>	<u>46,845</u>
	<u>\$ 433,655</u>	<u>\$ (82,233)</u>	<u>\$ 351,422</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>

During fiscal years 2016 and 2015, 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 2016 and 2015, the Agency transferred \$199,241 and \$190,847, 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, 2016 and 2015, and total \$27,392 and \$32,415 as of June 30, 2016 and 2015, respectively.