



**Health Care Without Walls**  
Compassionate care for women and families in need

At Health Care Without Walls our mission is to improve the lives of women who are homeless or marginally housed through quality healthcare, education, and advocacy

**Health Care Without Walls, Inc.  
Financial Statement  
For the Years Ended  
December 31, 2015 and 2014**

**Health Care Without Walls, Inc.**

**Index**

**Independent Auditor's Report**

**Financial Statements:**

Statement of Financial Position as of December 31, 2015 and 2014

Statement of Activities for the Years Ended December 31, 2015 and 2014

Statement of Cash Flows for the Years Ended December 31, 2015 and 2014

Statement of Functional Expenses for the Years Ended December 31, 2015 and 2014

Notes to Financial Statements



## Independent Auditor's Report

To the Board of Directors of  
Health Care Without Walls, Inc.  
Wellesley, MA

I have audited the accompanying financial statements of Health Care Without Walls, Inc. (a nonprofit Corporation) which comprise the statement of financial position as of December 31, 2015 and 2014 and the related statements of activities, statement of functional expenses and cash flows 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Care Without Walls, Inc. as of December 31, 2015 and 2014, 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.

Melissa Gilroy, Certified Public Accountant  
Westwood, Massachusetts  
April 26, 2016

# Health Care Without Walls, Inc.

## Statement of Financial Position

As of December 31,	2015	2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 817,452	\$ 543,188
Pledge receivables	182,336	238,859
Investments	5,336	2,697
Prepaid expenses	11,480	13,865
Total current assets	<u>1,016,604</u>	<u>798,609</u>
<b>Fixed Assets</b>		
Office furniture and equipment	29,579	29,579
Less: accumulated depreciation	<u>(29,579)</u>	<u>(29,374)</u>
Total net fixed assets	<u>-</u>	<u>205</u>
<b>Other Assets</b>		
Pledge receivables	-	183,333
Security deposit	1,703	1,703
Trademark and logo	-	3,612
Total other assets	<u>1,703</u>	<u>188,648</u>
<b>Total Assets</b>	\$ <u>1,018,307</u>	\$ <u>987,462</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ <u>18,819</u>	\$ <u>17,598</u>
Total current liabilities	<u>18,819</u>	<u>17,598</u>
<b>Total liabilities</b>	<u>18,819</u>	<u>17,598</u>
<b>Net Assets</b>		
Unrestricted	733,330	560,193
Temporarily restricted	266,158	409,671
Permanently restricted	-	-
<b>Total net assets</b>	<u>999,488</u>	<u>969,864</u>
<b>Total Liabilities and Net Assets</b>	\$ <u>1,018,307</u>	\$ <u>987,462</u>

# Health Care Without Walls, Inc.

## Statement of Activities

For the years ended December 31,

2015

2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>						
Foundation and corporate gifts revenue	\$ 137,498	152,500	289,998	\$ 479,913	424,671	904,584
Contributions from individuals	272,493	-	272,493	222,355	-	222,355
Special event income	224,867	-	224,867	-	-	-
In-kind contributions	160,000	-	160,000	277,500	-	277,500
Program revenue	143,730	-	143,730	95,370	-	95,370
Interest and dividend income	42	-	42	150	-	150
Net unrealized / realized gains (losses)	80	-	80	144	-	144
Other income	900	-	900	2,500	-	2,500
Net assets released from restrictions	296,013	(296,013)	-	21,248	(21,248)	-
<b>Total revenue and support</b>	<u>1,235,623</u>	<u>(143,513)</u>	<u>1,092,110</u>	<u>1,099,180</u>	<u>403,423</u>	<u>1,502,603</u>
<b>Expenses</b>						
Program services	630,689	-	630,689	783,279	-	783,279
Management, general and administrative	142,041	-	142,041	175,005	-	175,005
Fundraising	286,144	-	286,144	92,639	-	92,639
<b>Total expenses</b>	<u>1,058,874</u>	<u>-</u>	<u>1,058,874</u>	<u>1,050,923</u>	<u>-</u>	<u>1,050,923</u>
<b>Change in Net Assets from operations</b>	176,749	(143,513)	33,236	48,257	403,423	451,680
<b>Other expense</b>						
Impairment of trademark and logo	3,612	-	3,612	-	-	-
<b>Change in Net Assets</b>	173,137	(143,513)	29,624	48,257	403,423	451,680
<b>Net Assets at Beginning of Year</b>	<u>560,193</u>	<u>409,671</u>	<u>969,864</u>	<u>511,936</u>	<u>6,248</u>	<u>518,184</u>
<b>Net Assets at End of Year</b>	<u>\$ 733,330</u>	<u>266,158</u>	<u>999,488</u>	<u>\$ 560,193</u>	<u>409,671</u>	<u>969,864</u>

# Health Care Without Walls, Inc.

## Statement of Functional Expenses

	For the years ended December 31, 2015				2014			
	Program Services	Management General & Administrative	Fundraising	Total	Program Services	Management General & Administrative	Fundraising	Total
<b>Functional Expenses</b>								
Salaries	\$ 359,333	99,508	93,979	\$ 552,820	\$ 360,713	127,821	20,149	\$ 508,683
Payroll taxes	32,100	6,978	7,444	46,522	29,563	10,302	4,927	44,792
In-kind professional services	160,000	-	-	160,000	277,500	-	-	277,500
Special event expense	-	-	111,506	111,506	-	-	-	-
Marketing	-	-	17,790	17,790	10,674	-	10,674	21,348
Contract labor and consultants	18,381	3,996	39,438	61,815	30,913	7,403	46,278	84,594
Rent	27,296	5,934	6,330	39,560	24,318	8,474	4,053	36,845
Medical supplies	11,334	-	-	11,334	14,617	-	-	14,617
Office supplies and expenses	13,096	8,075	3,138	24,309	21,964	7,301	2,920	32,185
Depreciation	-	205	-	205	-	410	-	410
Insurance	2,490	2,507	578	5,575	1,523	2,192	254	3,969
Travel and entertainment	657	282	2,172	3,111	3,596	1,349	2,068	7,013
Professional services	-	12,232	-	12,232	-	7,000	-	7,000
Telephone	3,839	835	890	5,564	3,620	1,262	603	5,485
Printing and postage	-	1,019	2,377	3,396	1,648	574	275	2,497
Dues and subscriptions	2,163	470	502	3,135	2,630	917	438	3,985
<b>Total Functional Expenses</b>	<b>\$ 630,689</b>	<b>142,041</b>	<b>286,144</b>	<b>\$ 1,058,874</b>	<b>\$ 783,279</b>	<b>175,005</b>	<b>92,639</b>	<b>\$ 1,050,923</b>

The accompanying notes are an integral part of these financial statements.

# Health Care Without Walls, Inc.

## Statement of Cash Flow

For the years ended December 31,	2015	2014
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets from operations	\$ 29,624	\$ 451,680
<b>Adjustments to reconcile change in net assets to cash provided by operations</b>		
Depreciation	205	410
Net unrealized gain on investments	(80)	144
Impairment on trademark and logo	3,612	-
Decrease (increase) in assets		
Pledge receivable	239,856	(399,118)
Prepaid expenses	2,385	(10,993)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,221	8,319
Deferred revenue	-	(8,580)
<b>Net Cash Provided by Operating Activities</b>	<u>276,823</u>	<u>41,862</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	-	19,267
Purchase of investments	(2,559)	(12,405)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<u>(2,559)</u>	<u>6,862</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	274,264	48,724
<b>Cash and Cash Equivalents - Beginning</b>	<u>543,188</u>	<u>494,464</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 817,452</u>	<u>\$ 543,188</u>
<b>Supplement Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>
<b>Supplement Data for Noncash Investing and Financing Activities</b>		
Other noncash investing and financing activities	<u>\$ -</u>	<u>\$ -</u>

# Health Care Without Walls, Inc.

## Notes to Financial Statements

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### 1. Nature of the Business

Health Care Without Walls, Inc. (the "Organization") was incorporated in 1999 under the provision of the General Laws of Massachusetts, Chapter 180 and qualifies as a tax exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The purpose of the Organization is to improve the lives of women who are homeless or marginally housed through compassionate, high quality health care, education and advocacy. The Organization provides these services free of charge to approximately 2,500 women primarily in homeless shelters in Eastern Massachusetts. The Organization has five major programs:

Shelter based medical care: Conducting daily medical clinics at seven Boston-area shelter sites using a team of volunteer physicians and paid nursing staff, ensuring that critical medical and related care services, with familiar and compassionate medical providers are consistently available.

Bridges to elders: Providing primary care and care coordination for women aged 65 and over with hospital partnerships contracted through an Accountable Care Organization.

Family shelter services: Doctors and nurses provide walk-in care, care coordination, referrals, developmental assessments and parenting education at family shelter sites.

Clinical Education for Community Service: Training approximately 100 Boston-area medical and nursing students, residents and interns each year, using a curriculum created and published by Women of Means, Inc.

Research and Evaluation: Performing research studies to identify the needs of the population the Organization serves and measure the value of its services.

### 2. Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements are in conformity with generally accepted accounting principles in the United States of America ("GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.



## Health Care Without Walls, Inc.

### Notes to the Financial Statements

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#### 2. Summary of Significant Accounting Policies (continued)

##### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis with net assets, revenues, expenses, gains, and losses classified in three categories based on the existence or absence of externally imposed restrictions. Operating revenues consist of those monies received and contributions attributable to the Organization's ongoing efforts. The net assets of the Organization are classified and defined as follows:

##### ***Unrestricted***

Net assets that are not subject to donor-imposed stipulations are considered unrestricted.

##### ***Temporarily Restricted***

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. When the restriction expires, either by the passage of time or by the purpose of the gift being met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restriction.

##### ***Permanently Restricted***

Permanently restricted net assets are those subject to donor-imposed restrictions which require the corpus to be invested in perpetuity to produce income for general or specific purposes. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

##### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less, when acquired, to be cash equivalents.

##### **Pledge Receivables**

When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a pledge receivable. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable at the present value of expected future cash flows using a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. A provision for doubtful pledges receivable has not been established as management considers all accounts to be collectible based on favorable history over a substantial period of time. As such, no allowance was deemed necessary.

Pledges due from three prestigious Boston area foundations, represent 100% and 91% of total pledge receivables as of December 31, 2015 and 2014.

## Health Care Without Walls, Inc.

### Notes to the Financial Statements

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#### 2. Summary of Significant Accounting Policies (continued)

##### **Property and Equipment**

Property and equipment is stated at cost at the time of acquisition or fair market value at the time of donation. Expenditures for maintenance and repairs are charged to expense as incurred; betterments are capitalized. The Organization capitalizes amounts greater than \$1,000. When assets are sold or retired, the related costs and accumulated depreciation are removed from the respective accounts and any resulting gain and loss is credited or charged to operations. Depreciation is recorded on a straight-line basis based on the related estimated useful lives ranging from 3 to 7 years. Depreciation expense for the years ended December 31, 2015 and 2014 amounted to \$205 and \$410, respectively.

##### **Indefinite-lived Intangible Assets**

An intangible asset was recorded in connection with the purchase of a trademark and logo. The fair value assigned to the indefinite-lived intangible assets was determined by the consideration paid for the assignment of all rights, title and interest of the trademark acquired. Indefinite-lived intangible assets are subject to impairment testing annually or more frequently if impairment indicators arise. The Organization's impairment testing utilizes an analysis that requires management judgment with respect to revenue and expense growth and changes in cash flow. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value. During 2015, the trademark and logo were impaired as they are no longer in use by the Organization, as such, it has been recorded as an impairment loss in these financial statements.

##### **Contributions and grants**

Contributions and grants, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted revenues in the year received in accordance with the donor requirements. Contributions and grants are recognized at fair value upon the receipt of the earlier of either (i) an unconditional pledge or (ii) cash or other assets. Fair value is estimated giving consideration to anticipated cash receipts (net of uncollectible amounts) and discounting such amounts at a risk-adjusted rate. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance is reassessed and adjusted if necessary. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Substantially all of the Organization's revenue is derived from its income earned in Eastern Massachusetts.

##### **Advertising Costs**

Advertising costs are charged to operations as incurred. Advertising costs were immaterial for the years ended December 31, 2015 and 2014.

##### **Income Taxes**

The Organization is a tax-exempt entity under Code Section 501(c)(3) of the Internal Revenue Code (the "Code") and is not considered a private foundation. Accordingly, no provision for income taxes is included in these financial statements.

The Organization complies with the provisions of GAAP related to the accounting for the uncertainty in income taxes. As required, the Organization has evaluated its tax positions, applying a "more likely than not" threshold and believes that there would be no material changes to the results of its operation or financial position as a result of an audit by the applicable taxing authorities, federal or state. The Organization has filed all of its known and required tax returns in a timely manner, including as permitted, allowed extensions.

## Health Care Without Walls, Inc.

### Notes to the Financial Statements

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#### 2. Summary of Significant Accounting Policies (continued)

##### **Fair Value Measurements**

The Company follows the authoritative guidance for fair value measurements required by GAAP relating to financial and nonfinancial assets and liabilities, including presentation of required disclosures, in its financial statements. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance also establishes a fair value hierarchy, which requires maximizing the use of observable inputs when measuring fair value.

##### **Functional Allocation of Expenses**

The costs of providing various programs and activities has been summarized on a functional basis. Certain costs have been allocated among the programs and support services benefited.

##### **Donated Goods and Services**

Donated goods and services are recorded at the estimated fair value of goods and services provided to the Organization. Contributed services are recognized for services that require specialized skills and are provided by persons possessing those skills in the period in which they are received. During fiscal 2015 and 2014, donated services consisting of medical services provided by medical doctors and nurses amounted to \$160,000 and \$277,500 and is recorded in the accompanying statement of activities, respectively. During fiscal 2015, donated goods in connection with an auction held for fundraising purposes amounted to \$27,542.

#### 3. Investments

Investments are the only assets measured at fair value on a recurring basis. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1**—Quoted prices in active markets for identical assets.

**Level 2**—Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

**Level 3**—Unobservable inputs that reflect management's assumptions and best estimates based on available data.

The Organization uses Level 1 measurements whenever possible, as they result in the most reliable measure of fair value. All of the Organization's investments are considered to be Level 1 on the fair value hierarchy and consist solely of common stock. The Organization uses the market technique for valuation of the common stock. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

**Health Care Without Walls, Inc.**  
**Notes to the Financial Statements**

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**3. Investments (continued)**

Investments as of December 31, 2015 and 2014 consists of the following:

Description	2015		2014	
	Level 1	Level 1	Level 1	Level 1
Common stock	\$ 5,336	\$ 2,697		

**4. Temporarily restricted net assets**

Temporarily restricted net assets as of December 31, 2015 and 2014 consisted of the following:

Description	As of 12/31/2014	Additions	Releases	As of 12/31/2015
Elder program	\$ 22,500		\$ (22,500)	\$ -
Family shelter clinic program	-	112,500	(68,678)	43,822
Medical record system	-	40,000		40,000
Time restriction - to be spent in fiscal 2015	22,500		(22,500)	-
Long-term pledges	364,671	-	(182,335)	182,336
	<u>\$ 409,671</u>	<u>\$ 152,500</u>	<u>\$ (296,013)</u>	<u>\$ 266,158</u>

**5. Leases**

The Organization leases its office space in Wellesley, Massachusetts under a non-cancellable lease that expires March 31, 2016. The lease requires monthly payments of \$3,258. Rental expense related to this lease was \$39,560 and \$36,845 for the year ended December 31, 2015 and 2014, respectively. The future minimum lease payments under the leases for fiscal 2016 amount to \$9,774.

**6. Retirement Plans**

The Organization maintains a 401(k) retirement plan (the Plan) covering substantially all full-time employees meeting certain age and eligibility requirements. Employees may defer up to 3% of their wages in order to contribute to the plan. The Organization's does not contain any employer matching provisions.

**7. Concentration of Credit Risk**

The Organization maintains cash balances at several national and regional banks. Normally, these balances do not exceed the FDIC insured limits.

**8. Pledges receivable**

At December 31, 2014, pledges from three foundations represented 40% of total foundation and corporate gift revenue. As of December 31, 2015, pledge receivables are scheduled to be collected as follows:

Less than one year	\$ 183,333
One to five years	-
Subtotal	<u>183,333</u>
Less present value discount, using discount rate of 1.10%	(997)
Total	<u><u>\$ 182,336</u></u>

**Health Care Without Walls, Inc.**  
**Notes to the Financial Statements**

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**9. Contingencies**

The Organization maybe named in various claims and legal actions in the normal course of its activities. Based upon counsel and management's opinion, the outcome of such matters is not expected to have a material adverse effect on the Organization's financial position or changes in net assets.

The Organization is in a legal dispute with a former employee. The dispute is expected to be resolved in 2016 through mediation and the outcome is not expected to have a material impact on the financial statements.

**10. Subsequent Events**

The Organization has evaluated events subsequent to its year-ended December 31, 2015 and through the date of this report. Management has determined that no subsequent events requiring disclosure have occurred as of April 26, 2016, which is the date financial statements were available to be issued.