



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

**Health Care Without Walls, Inc.
Financial Statement
For the Years Ended
December 31, 2016 and 2015**

Health Care Without Walls, Inc.

Index

Independent Auditor's Report

Financial Statements:

Statement of Financial Position as of December 31, 2016 and 2015

Statement of Activities for the Years Ended December 31, 2016 and 2015

Statement of Cash Flows for the Years Ended December 31, 2016 and 2015

Statement of Functional Expenses for the Years Ended December 31, 2016 and 2015

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, 2016 and 2015 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, 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.

Melissa Gilroy, Certified Public Accountant
Westwood, Massachusetts
April 27, 2017

Health Care Without Walls, Inc.

Statement of Financial Position

As of December 31,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 770,466	\$ 817,452
Pledge receivables	100,000	182,336
Investments	-	5,336
Prepaid expenses	4,912	11,480
Total current assets	<u>875,378</u>	<u>1,016,604</u>
Fixed Assets		
Office furniture and equipment	62,847	29,579
Less: accumulated depreciation	<u>(32,906)</u>	<u>(29,579)</u>
Total net fixed assets	<u>29,941</u>	<u>-</u>
Other Assets		
Pledge receivables	190,650	-
Security deposit	1,703	1,703
Total other assets	<u>192,353</u>	<u>1,703</u>
Total Assets	\$ <u>1,097,672</u>	\$ <u>1,018,307</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ <u>51,626</u>	\$ <u>18,819</u>
Total current liabilities	<u>51,626</u>	<u>18,819</u>
Total liabilities	<u>51,626</u>	<u>18,819</u>
Net Assets		
Unrestricted	585,018	733,330
Temporarily restricted	461,028	266,158
Permanently restricted	-	-
Total net assets	<u>1,046,046</u>	<u>999,488</u>
Total Liabilities and Net Assets	\$ <u>1,097,672</u>	\$ <u>1,018,307</u>

Health Care Without Walls, Inc.

Statement of Activities

For the years ended December 31,

2016

2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Foundation and corporate gifts revenue	\$ 41,659	638,744	680,403	\$ 137,498	152,500	289,998
Contributions from individuals	219,800	50,000	269,800	272,493	-	272,493
Special event income	19,185	-	19,185	224,867	-	224,867
In-kind contributions	161,850	-	161,850	160,000	-	160,000
Program revenue	36,500	-	36,500	143,730	-	143,730
Interest and dividend income	46	-	46	42	-	42
Net unrealized / realized gains (losses)	113	-	113	80	-	80
Other income	75	-	75	900	-	900
Net assets released from restrictions	493,874	(493,874)	-	296,013	(296,013)	-
Total revenue and support	<u>973,102</u>	<u>194,870</u>	<u>1,167,972</u>	<u>1,235,623</u>	<u>(143,513)</u>	<u>1,092,110</u>
Expenses						
Program services	832,926	-	832,926	630,689	-	630,689
Management, general and administrative	155,609	-	155,609	142,041	-	142,041
Fundraising	132,879	-	132,879	286,144	-	286,144
Total expenses	<u>1,121,414</u>	<u>-</u>	<u>1,121,414</u>	<u>1,058,874</u>	<u>-</u>	<u>1,058,874</u>
Change in Net Assets from operations	(148,312)	194,870	46,558	176,749	(143,513)	33,236
Other expense						
Impairment of trademark and logo	-	-	-	3,612	-	3,612
Change in Net Assets	(148,312)	194,870	46,558	173,137	(143,513)	29,624
Net Assets at Beginning of Year	<u>733,330</u>	<u>266,158</u>	<u>999,488</u>	<u>560,193</u>	<u>409,671</u>	<u>969,864</u>
Net Assets at End of Year	<u>\$ 585,018</u>	<u>461,028</u>	<u>1,046,046</u>	<u>\$ 733,330</u>	<u>266,158</u>	<u>999,488</u>

Health Care Without Walls, Inc.

Statement of Cash Flow

For the years ended December 31,	2016	2015
Cash Flows from Operating Activities		
Change in Net Assets from operations	\$ 46,558	\$ 29,624
Adjustments to reconcile change in net assets to cash provided by operations		
Depreciation	3,327	205
Net unrealized gain on investments	(113)	(80)
Impairment on trademark and logo	-	3,612
Decrease (increase) in assets		
Pledge receivable	(108,314)	239,856
Prepaid expenses	6,568	2,385
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	32,807	1,221
Net Cash (Used in) / Provided by Operating Activities	<u>(19,167)</u>	<u>276,823</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(33,268)	-
Proceeds from sale of investments	5,449	-
Purchase of investments	-	(2,559)
Net Cash (Used in) Provided by Investing Activities	<u>(27,819)</u>	<u>(2,559)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(46,986)	# 274,264
Cash and Cash Equivalents - Beginning	<u>817,452</u>	<u>543,188</u>
Cash and Cash Equivalents - Ending	<u>\$ 770,466</u>	<u>\$ 817,452</u>
Supplement Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ <u>-</u>	\$ <u>-</u>
Supplement Data for Noncash Investing and Financing Activities		
Other noncash investing and financing activities	\$ <u>-</u>	\$ <u>-</u>

Health Care Without Walls, Inc.

Statement of Functional Expenses

For the years ended December 31,

2016

2015

	2016				2015			
	Program Services	Management General & Administrative	Fundraising	Total	Program Services	Management General & Administrative	Fundraising	Total
Functional Expenses								
Salaries	\$ 493,204	67,364	66,276	\$ 626,844	\$ 359,333	99,508	93,979	\$ 552,820
In-kind professional services	161,850	-	-	161,850	160,000	-	-	160,000
Contract labor and consultants	29,520	3,057	38,779	71,356	18,381	3,996	39,438	61,815
Professional services	-	66,007	-	66,007	-	12,232	-	12,232
Payroll taxes	48,850	6,802	6,183	61,835	32,100	6,978	7,444	46,522
Rent	31,470	4,382	3,983	39,835	27,296	5,934	6,330	39,560
Medical and program supplies	34,440	-	-	34,440	11,334	-	-	11,334
Office supplies and expenses	16,983	2,982	1,881	21,846	13,096	8,075	3,138	24,309
Telephone	8,417	1,172	1,066	10,655	3,839	835	890	5,564
Special event expense	-	-	7,247	7,247	-	-	111,506	111,506
Insurance	2,998	2,727	380	6,105	2,490	2,507	578	5,575
Depreciation	3,327	-	-	3,327	-	205	-	205
Marketing	-	-	3,295	3,295	-	-	17,790	17,790
Travel and entertainment	433	186	1,904	2,523	657	282	2,172	3,111
Printing and postage	-	730	1,703	2,433	-	1,019	2,377	3,396
Dues and subscriptions	1,434	200	182	1,816	2,163	470	502	3,135
Total Functional Expenses	\$ 832,926	155,609	132,879	\$ 1,121,414	\$ 630,689	142,041	286,144	\$ 1,058,874

Health Care Without Walls, Inc.

Notes to Financial Statements

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 Programs:

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

Bridges to Moms – Providing intensive case management through patient-centered, trusting relationships, producing outcomes for homeless pregnant and post-partum mothers and their babies.

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

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 one Boston area foundation as of December 31, 2016 and due from three Boston area foundations as of December 31, 2015 representing 100% of total pledge receivables as of their respective year-ends.

Intangible Asset

During 2015, the Organization created a new logo and trademark replacing the previously used asset. As a result, the Organization's asset for the old logo and trademark became impaired and was expensed as of December 31, 2015.

Health Care Without Walls, Inc.

Notes to the Financial Statements

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, 2016 and 2015 amounted to \$3,327 and \$205, respectively.

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. 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.

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.

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 2016 and 2015, donated services consisting of medical services provided by medical doctors and nurses amounted to \$161,850 and \$160,000 and is recorded in the accompanying statement of activities, respectively.

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

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.

As of December 31, 2015, the investments consisted of common stock that was considered a Level 1 input on the fair value hierarchy amounting to \$5,336. During 2016, the common stock was sold in full and a gain of \$113 was recognized in these financial statements.

4. Temporarily restricted net assets

Temporarily restricted net assets as of December 31, 2016 and 2015 consisted of the following:

Description	As of 12/31/2015	Additions	Releases	As of 12/31/2016
Long-term pledges	\$ 182,336	\$ 291,648	\$ (182,334)	\$ 291,650
Time restricted - to be spent in fiscal 2017	-	15,000	-	15,000
Family shelter program	43,822	-	(43,822)	-
Medical record system	40,000	-	(33,268)	6,732
Adult program	-	65,000	(65,000)	-
Bridges to elder program	-	87,500	(47,500)	40,000
Adult shelter program	-	32,500	(32,500)	-
Bridges to mom program	-	197,096	(89,450)	107,646
	<u>\$ 266,158</u>	<u>\$ 688,744</u>	<u>\$ (493,874)</u>	<u>\$ 461,028</u>

Health Care Without Walls, Inc.

Notes to the Financial Statements

5. Leases

The Organization leases its office space in Wellesley, Massachusetts under a non-cancellable lease. The lease term that terminated in March 2016 required monthly rental payments of \$3,258 monthly. A new lease was executed with the same lessor which extended the lease term to March 31, 2017 requiring monthly rental payments of \$3,282. Additionally, space was leased with the same lessor with a lease term expiring March 31, 2018 requiring monthly rental payments of \$3,405. Rental expense was \$39,835 and \$39,650 for the year ended December 31, 2016 and 2015, respectively. The future minimum lease payments under the leases as of December 31, 2016 are as follows:

Fiscal 2017	\$37,086
Fiscal 2018	\$10,215

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 did not contain any employer matching provisions. During 2016, the 401k plan was terminated by the Organization.

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

As of December 31, 2016, pledge receivables are scheduled to be collected as follows:

Less than one year	\$ 100,000
One to five years	200,000
Subtotal	<u>300,000</u>
Less present value discount, using discount rate of 1.60%	(9,350)
Total	<u><u>\$ 290,650</u></u>

9. Contingencies

The Organization may be 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 was in a legal dispute with a former employee. The dispute was resolved in 2016 through mediation which required a payment of \$12,000 to the former employee that the organization made in fiscal 2016.

10. Subsequent Events

The Organization has evaluated events subsequent to its year-ended December 31, 2016 and through the date of this report. Management has determined that no subsequent events requiring disclosure have occurred as of April 27, 2017, which is the date financial statements were available to be issued.