



**VOLUNTEERS OF AMERICA
OF MASSACHUSETTS, INC.**
and
AFFILIATES
Combining Financial Statements
and
Auditors' Report
June 30, 2015 with Comparative Totals for 2014

Volunteers of America of Massachusetts, Inc. and Affiliates
June 30, 2015
With Comparative Totals for 2014

Contents

	<i>Page</i>
Independent Auditors' Report	1
Combining Statement of Financial Position	3
Combining Statement of Activities	5
Combining Statement of Functional Expenses	6
Combining Statement of Cash Flows	7
Notes to Combining Financial Statements	9



Independent Auditors' Report

To the Board of Directors of
Volunteers of America of Massachusetts, Inc. and Affiliates

We have audited the accompanying combining financial statements of Volunteers of America of Massachusetts, Inc. and Affiliates (collectively, the Organization) which comprise the combining statement of financial position as of June 30, 2015, and the related combining statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combining financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combining 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 combining 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 combining 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 combining financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combining 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 Organization'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 combining 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 combining financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America of Massachusetts, Inc. and Affiliates as of June 30, 2015, and the changes in their combining net assets and their combining cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Volunteers of America of Massachusetts, Inc. and Affiliates 2014 combining financial statements, and we expressed an unmodified audit opinion on those audited combining financial statements in our report dated December 10, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited combining financial statements from which it has been derived.

A handwritten signature in black ink that reads "Russell C. Jarvis + Company LLC". The signature is written in a cursive, flowing style.

October 26, 2015

Volunteers of America of Massachusetts, Inc. and Affiliates
Combining Statement of Financial Position
June 30, 2015
With Summarized Comparative Totals for 2014

	VOAMA	VOARI	VOA Ayer, Inc.	VOA Somerville	VOAC	VOA Ayer Memory Support LLC	Eliminations	2015 Combined Total	2014 Combined Total
Assets									
<i>Current Assets:</i>									
Cash and cash equivalents	\$ 601,687	\$ -	\$ 61,008	\$ 51,048	\$ 1,112,678	\$ -	\$ -	\$ 1,826,421	\$ 2,155,498
Accounts receivable, net	467,476	-	-	24,338	56,613	-	-	548,427	603,917
Promises to give	4,155	-	-	-	-	-	-	4,155	4,155
Investments	1,012,527	1,205,700	-	-	-	-	-	2,218,227	2,306,337
Due from affiliates	4,364	-	-	-	-	-	-	4,364	10,042
Prepaid expenses and deposits	70,691	-	-	-	14,690	-	-	85,381	94,811
Total current assets	<u>2,160,900</u>	<u>1,205,700</u>	<u>61,008</u>	<u>75,386</u>	<u>1,183,982</u>	<u>-</u>	<u>-</u>	<u>4,686,976</u>	<u>5,174,760</u>
<i>Restricted Funds:</i>									
Bond funds	-	-	-	-	1,259,688	-	-	1,259,688	1,196,231
Operating reserve	-	-	-	84,483	-	-	-	84,483	109,389
Replacement reserve	-	-	-	11,598	490,384	-	-	501,982	457,435
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,081</u>	<u>1,750,073</u>	<u>-</u>	<u>-</u>	<u>1,846,154</u>	<u>1,763,055</u>
<i>Fixed Assets:</i>									
Land	339,648	-	-	650,236	2,441,505	208,500	-	3,639,889	3,325,388
Construction in progress	154,522	-	-	-	-	-	-	154,522	-
Buildings and improvements	1,595,429	-	-	4,976,154	9,741,309	-	(459,586)	15,853,306	15,326,168
Furnishings and equipment	580,728	-	-	-	203,653	-	-	784,381	1,689,317
Motor vehicles	78,706	-	-	-	48,750	-	-	127,456	196,055
Less: accumulated depreciation	<u>(1,040,836)</u>	<u>-</u>	<u>-</u>	<u>(186,606)</u>	<u>(4,647,534)</u>	<u>-</u>	<u>-</u>	<u>(5,874,976)</u>	<u>(6,571,784)</u>
Net fixed assets	<u>1,708,197</u>	<u>-</u>	<u>-</u>	<u>5,439,784</u>	<u>7,787,683</u>	<u>208,500</u>	<u>(459,586)</u>	<u>14,684,578</u>	<u>13,965,144</u>
<i>Other Assets:</i>									
Due from affiliates:									
VOA Ayer Limited Partnership, principal	1,756,799	-	-	-	-	-	-	1,756,799	2,039,776
VOA Ayer Limited Partnership, accrued interest	27,556	-	-	-	-	-	-	27,556	32,777
VOA Ayer Memory Support LLC	212,865	-	-	-	-	-	(212,865)	-	-
VOA Somerville Veterans Housing, Inc.	259,039	-	-	-	-	-	(259,039)	-	-
Development costs	754,120	-	-	-	-	4,365	-	758,485	219,850
Intangible assets, net	-	-	-	351,846	355,153	-	-	706,999	732,817
Total other assets	<u>3,010,379</u>	<u>-</u>	<u>-</u>	<u>351,846</u>	<u>355,153</u>	<u>4,365</u>	<u>(471,904)</u>	<u>3,249,839</u>	<u>3,025,220</u>
Total assets	<u>\$ 6,879,476</u>	<u>\$ 1,205,700</u>	<u>\$ 61,008</u>	<u>\$ 5,963,097</u>	<u>\$ 11,076,891</u>	<u>\$ 212,865</u>	<u>\$ (931,490)</u>	<u>\$ 24,467,547</u>	<u>\$ 23,928,179</u>

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates
Combining Statement of Financial Position - *Continued*
June 30, 2015
With Summarized Comparative Totals for 2014

	VOAMA	VOARI	VOA Ayer, Inc.	VOA Somerville	VOAC	VOA Ayer Memory Support LLC	Eliminations	2015 Combined Total	2014 Combined Total
<i>Liabilities and Net Assets</i>									
<i>Current Liabilities:</i>									
Accounts payable	\$ 267,621	\$ -	\$ -	\$ 8,860	\$ 63,980	\$ -	\$ -	\$ 340,461	\$ 301,193
Accrued expenses	335,703	-	-	18,409	218,307	-	-	572,419	583,047
Accrued interest	-	-	-	-	54,726	-	-	54,726	55,622
Deferred revenue	-	-	61,008	-	76,690	-	-	137,698	58,941
Due to affiliates	28,745	-	-	259,039	-	212,865	(471,904)	28,745	22,473
Mortgages and notes payable - current	23,263	-	-	5,500	230,000	-	-	258,763	210,339
Total current liabilities	<u>655,332</u>	<u>-</u>	<u>61,008</u>	<u>291,808</u>	<u>643,703</u>	<u>212,865</u>	<u>(471,904)</u>	<u>1,392,812</u>	<u>1,231,615</u>
<i>Other Liabilities:</i>									
Investment in VOA Ayer Limited Partnership	-	-	425,000	-	-	-	(89,250)	335,750	335,750
Investment in VOA Ayer, Inc.	335,750	-	-	-	-	-	(335,750)	-	-
Total other liabilities	<u>335,750</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(425,000)</u>	<u>335,750</u>	<u>335,750</u>
<i>Long-Term Debt:</i>									
Mortgages and notes payable, net of current portion	721,303	-	-	1,134,830	12,475,000	-	-	14,331,133	13,855,285
Total long-term debt	<u>721,303</u>	<u>-</u>	<u>-</u>	<u>1,134,830</u>	<u>12,475,000</u>	<u>-</u>	<u>-</u>	<u>14,331,133</u>	<u>13,855,285</u>
Total liabilities	<u>1,712,385</u>	<u>-</u>	<u>486,008</u>	<u>1,426,638</u>	<u>13,118,703</u>	<u>212,865</u>	<u>(896,904)</u>	<u>16,059,695</u>	<u>15,422,650</u>
<i>Net Assets:</i>									
<i>Unrestricted:</i>									
Board-designated endowment	1,012,527	1,205,700	-	-	-	-	-	2,218,227	2,306,337
Undesignated controlling interest	4,098,132	-	(335,750)	4,536,459	(2,041,813)	-	(34,586)	6,222,442	6,099,376
Minority interest	-	-	(89,250)	-	-	-	-	(89,250)	(89,250)
Total unrestricted	5,110,659	1,205,700	(425,000)	4,536,459	(2,041,813)	-	(34,586)	8,351,419	8,316,463
Temporarily restricted	56,432	-	-	-	-	-	-	56,432	189,066
Total net assets	<u>5,167,091</u>	<u>1,205,700</u>	<u>(425,000)</u>	<u>4,536,459</u>	<u>(2,041,813)</u>	<u>-</u>	<u>(34,586)</u>	<u>8,407,851</u>	<u>8,505,529</u>
Total liabilities and net assets	<u>\$ 6,879,476</u>	<u>\$ 1,205,700</u>	<u>\$ 61,008</u>	<u>\$ 5,963,097</u>	<u>\$ 11,076,891</u>	<u>\$ 212,865</u>	<u>\$ (931,490)</u>	<u>\$ 24,467,547</u>	<u>\$ 23,928,179</u>

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates
Combining Statement of Activities
For the Year Ended June 30, 2015
With Summarized Comparative Totals for 2014

	VOAMA	VOARI	VOA Ayer, Inc.	VOA Somerville	VOAC	VOA Ayer Memory Support LLC	Eliminations	2015 Combined Total	2014 Combined Total
Changes in Unrestricted Net Assets:									
<i>Operating Revenue and Support:</i>									
Program fees	\$ 5,108,437	\$ -	\$ 1,135,594	\$ 430,757	\$ 6,165,259	\$ -	\$ -	\$ 12,840,048	\$ 13,207,693
Grants and contributions	195,410	-	-	8,760	-	-	-	204,170	75,645
Private client fees	779,758	-	-	-	-	-	-	779,758	930,645
Miscellaneous	-	-	-	8,654	-	-	-	8,654	-
Net assets released from restrictions	222,130	-	-	-	-	-	-	222,130	48,746
Total operating revenue and support	<u>6,305,735</u>	<u>-</u>	<u>1,135,594</u>	<u>448,171</u>	<u>6,165,259</u>	<u>-</u>	<u>-</u>	<u>14,054,760</u>	<u>14,262,729</u>
<i>Operating Expenses:</i>									
Programs	5,882,031	-	1,135,594	574,976	4,617,680	-	(31,122)	12,179,160	12,803,102
Management and general	1,523,096	-	-	-	-	-	-	1,523,096	1,575,778
Fundraising	272,965	-	-	-	-	-	-	272,965	331,257
Total operating expenses	<u>7,678,092</u>	<u>-</u>	<u>1,135,594</u>	<u>574,976</u>	<u>4,617,680</u>	<u>-</u>	<u>(31,122)</u>	<u>13,975,221</u>	<u>14,710,137</u>
Change in net assets from operations	<u>(1,372,357)</u>	<u>-</u>	<u>-</u>	<u>(126,805)</u>	<u>1,547,579</u>	<u>-</u>	<u>31,122</u>	<u>79,539</u>	<u>(447,408)</u>
<i>Nonoperating Income (Expenses and Losses):</i>									
Development income	1,625,095	-	-	-	-	-	(1,565,035)	60,060	60,060
Capital grants and contributions	-	-	-	-	-	-	-	-	2,423,775
Realized gains on investments	9,115	10,280	-	-	-	-	-	19,395	19,484
Unrealized gains (losses) on investments	(38,398)	(43,299)	-	-	-	-	-	(81,697)	194,873
Interest and dividends	34,568	38,981	-	98	46,022	-	-	119,669	103,557
Loss on disposal of assets	(162,011)	-	-	-	-	-	-	(162,011)	-
Payments to affiliates	-	-	-	-	(1,533,913)	-	1,533,913	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	961,290
Net nonoperating income (expenses and losses)	<u>1,468,370</u>	<u>5,961</u>	<u>-</u>	<u>98</u>	<u>(1,487,891)</u>	<u>-</u>	<u>(31,122)</u>	<u>(44,584)</u>	<u>3,763,039</u>
Change in unrestricted net assets	<u>96,013</u>	<u>5,961</u>	<u>-</u>	<u>(126,707)</u>	<u>59,688</u>	<u>-</u>	<u>-</u>	<u>34,955</u>	<u>3,315,631</u>
Changes in Temporarily Restricted Net Assets:									
Grants and contributions	89,497	-	-	-	-	-	-	89,497	189,066
Net assets released from restrictions	(222,130)	-	-	-	-	-	-	(222,130)	(1,010,036)
Change in temporarily restricted net assets	<u>(132,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132,633)</u>	<u>(820,970)</u>
Change in net assets	(36,620)	5,961	-	(126,707)	59,688	-	-	(97,678)	2,494,661
Net assets, beginning of year	<u>5,203,711</u>	<u>1,199,739</u>	<u>(425,000)</u>	<u>4,663,166</u>	<u>(2,101,501)</u>	<u>-</u>	<u>(34,586)</u>	<u>8,505,529</u>	<u>6,010,868</u>
Net assets, end of year	<u>\$ 5,167,091</u>	<u>\$ 1,205,700</u>	<u>\$ (425,000)</u>	<u>\$ 4,536,459</u>	<u>\$ (2,041,813)</u>	<u>\$ -</u>	<u>\$ (34,586)</u>	<u>\$ 8,407,851</u>	<u>\$ 8,505,529</u>

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates
Combining Statement of Functional Expenses
For the Year Ended June 30, 2015
With Summarized Comparative Totals for 2014

Description	VOAMA				VOARI	VOA Ayer, Inc.	VOA Somerville	VOAC	VOA Ayer Memory Support LLC	Eliminations	2015	2014
	Program Services	Management and General	Fund-Raising	Total	Program Services	Program Services	Program Services	Program Services	Program Services		Combined Total	Combined Total
Personnel expenses	\$ 3,316,482	\$ 837,373	\$ 180,949	\$ 4,334,804	\$ -	\$ 1,135,594	\$ 234,473	\$ 2,116,226	\$ -	\$ -	\$ 7,821,098	\$ 8,475,937
Occupancy	289,850	45,237	7,008	342,095	-	-	93,827	659,431	-	-	1,095,353	1,318,231
Program expense	2,102,422	521,481	81,847	2,705,750	-	-	53,354	564,855	-	-	3,323,959	3,223,480
Operating expenses	60,446	99,821	2,969	163,236	-	-	45,063	335,661	-	(27,063)	516,897	563,933
Interest	9,407	2,132	-	11,539	-	-	11,482	661,194	-	(4,059)	680,156	676,255
Depreciation and amortization	103,424	17,052	192	120,668	-	-	136,777	280,313	-	-	537,758	452,301
Total expenses	\$ 5,882,031	\$ 1,523,096	\$ 272,965	\$ 7,678,092	\$ -	\$ 1,135,594	\$ 574,976	\$ 4,617,680	\$ -	\$ (31,122)	\$ 13,975,221	\$ 14,710,137

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates
Combining Statement of Cash Flows
For the Year Ended June 30, 2015
With Summarized Comparative Totals for 2014

	VOAMA	VOARI	VOA Ayer, Inc.	VOA Somerville	VOAC	VOA Ayer Memory Support LLC	Eliminations	2015 Combined Total	2014 Combined Total
Cash Flows From Operating Activities:									
Change in net assets	\$ (36,620)	\$ 5,961	\$ -	\$ (126,707)	\$ 59,688	\$ -	\$ -	\$ (97,678)	\$ 2,494,661
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:									
Development income	(1,565,035)	-	-	-	-	-	1,565,035	-	-
Contributions restricted for fixed asset purchases	-	-	-	-	-	-	-	-	(2,098,053)
Payments to affiliates	-	-	-	-	1,533,913	-	(1,533,913)	-	-
Loss on disposal of assets	162,012	-	-	-	-	-	-	162,012	-
Depreciation and amortization	120,668	-	-	136,777	280,313	-	-	537,758	445,164
Bad debts	468,849	-	-	6,441	-	-	-	475,290	468,849
Net realized and unrealized (gains) losses on investments	3,830	33,020	-	-	-	-	-	36,850	(214,357)
(Increase)/decrease in operating assets:									
Accounts receivable	(369,105)	-	-	(5,177)	(45,518)	-	-	(419,800)	(51,744)
Promises to give	-	-	-	-	-	-	-	-	-
Due from affiliates (including accrued interest)	10,899	-	-	-	-	-	-	10,899	477,058
Prepaid expenses	4,325	-	-	-	5,105	-	-	9,430	(46,279)
Increase/(decrease) in operating liabilities:									
Accounts payable	30,921	-	-	(7,622)	15,969	-	-	39,268	20,913
Accrued expenses	(91,570)	-	-	6,415	73,631	-	-	(11,524)	54,343
Due to affiliates	6,272	-	-	24,921	-	-	-	31,193	166,242
Deferred revenue	-	-	2,067	-	76,690	-	-	78,757	10,965
Net cash provided by (used in) operating activities	<u>(1,254,555)</u>	<u>38,981</u>	<u>2,067</u>	<u>35,048</u>	<u>1,999,791</u>	<u>-</u>	<u>31,122</u>	<u>852,455</u>	<u>1,727,762</u>
Cash Flows From Investing Activities:									
Proceeds from sale of investments	99,455	-	-	-	-	-	-	99,455	32,767
Purchase of investments	(9,213)	(38,981)	-	-	-	-	-	(48,195)	(270,000)
Deposits to bond fund	-	-	-	-	(951,941)	-	-	(951,941)	(894,915)
Withdrawals from bond fund	-	-	-	-	877,090	-	-	877,090	896,809
Deposits to operating reserve	-	-	-	-	-	-	-	-	(109,389)
Withdrawals from operating reserve	-	-	-	24,906	-	-	-	24,906	-
Loans to affiliates	257,615	-	-	-	-	-	-	257,615	(161,263)
Development income	1,565,035	-	-	-	-	-	(1,565,035)	-	-
(Deposits) withdrawals from debt service reserve and interest earned	-	-	-	-	(45,573)	-	-	(45,573)	(45,573)
(Deposits) withdrawals from debt service reserve fund	-	-	-	-	56,966	-	-	56,966	45,573
Deposits to reserve for replacement and interest earned	-	-	-	(7,980)	(36,567)	-	-	(44,547)	(36,865)
Development in progress	(538,194)	-	-	-	-	(441)	441	(538,194)	(167,220)
Fixed assets purchases	<u>(1,329,693)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,693)</u>	<u>-</u>	<u>-</u>	<u>(1,393,386)</u>	<u>(1,202,922)</u>
Net cash provided by (used in) investing activities	<u>45,005</u>	<u>(38,981)</u>	<u>-</u>	<u>16,926</u>	<u>(163,718)</u>	<u>(441)</u>	<u>(1,564,594)</u>	<u>(1,705,804)</u>	<u>(1,912,998)</u>

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates
 Combining Statement of Cash Flows - *Continued*
 For the Year Ended June 30, 2015
 With Summarized Comparative Totals for 2014

	<i>VOAMA</i>	<i>VOARI</i>	<i>VOA Ayer, Inc.</i>	<i>VOA Somerville</i>	<i>VOAC</i>	<i>VOA Ayer Memory Support LLC</i>	<i>Eliminations</i>	<i>2015 Combined Total</i>	<i>2014 Combined Total</i>
<i>Cash Flows From Financing Activities:</i>									
Proceeds from notes and mortgages payable	750,000	-	-	-	-	441	(441)	750,000	100,797
Finance fees payments	-	-	-	-	-	-	-	-	(364,219)
Payments to affiliate	-	-	-	-	(1,533,913)	-	1,533,913	-	-
Contributions restricted for fixed asset purchases	-	-	-	-	-	-	-	-	2,098,053
Principal payments on notes and mortgages	(5,434)	-	-	(5,294)	(215,000)	-	-	(225,728)	(1,162,599)
Principal payments on capital lease obligations	-	-	-	-	-	-	-	-	(505)
	<u>744,566</u>	<u>-</u>	<u>-</u>	<u>(5,294)</u>	<u>(1,748,913)</u>	<u>441</u>	<u>1,533,472</u>	<u>524,272</u>	<u>671,527</u>
Net cash provided by (used in) financing activities									
	<u>(464,984)</u>	<u>-</u>	<u>2,067</u>	<u>46,680</u>	<u>87,160</u>	<u>-</u>	<u>-</u>	<u>(329,077)</u>	<u>486,291</u>
Net increase (decrease) in cash and cash equivalents									
Cash and cash equivalents at beginning of year	<u>1,066,671</u>	<u>-</u>	<u>58,941</u>	<u>4,368</u>	<u>1,025,518</u>	<u>-</u>	<u>-</u>	<u>2,155,498</u>	<u>1,669,207</u>
Cash and cash equivalents at end of year	<u>\$ 601,687</u>	<u>\$ -</u>	<u>\$ 61,008</u>	<u>\$ 51,048</u>	<u>\$ 1,112,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,826,421</u>	<u>\$ 2,155,498</u>
<i>Supplemental Cash Flow Information</i>									
Interest paid during the year, net of amount capitalized	<u>\$ 11,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,243</u>	<u>\$ 662,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,025</u>	<u>\$ 679,875</u>

See accompanying notes to combining financial statements.

Volunteers of America of Massachusetts, Inc. and Affiliates

Notes to Combining Financial Statements
June 30, 2015 with Comparative Totals for 2014

1. Principles of Combination and Organizations

The combining financial statements are not those of a separate legal entity, but include the accounts of Volunteers of America of Massachusetts, Inc. (VOAMA), VOA Ayer, Inc., Volunteers of America Rhode Island, Inc. (VOARI), VOA Concord Assisted Living, Inc. (VOAC), VOA Ayer Memory Support LLC (VOA Ayer LLC), and VOA Somerville Veterans Housing, Inc. (VOA Somerville) (collectively, the Organization). All intercompany transactions have been eliminated in the combination. Combining financial statements are presented since, although legally separate corporations, the nature and significance of their relationship is such that separate reporting would cause the separately issued financial statements to be misleading or incomplete. Therefore, combining financial statements are more meaningful than separate statements.

VOAMA is a Massachusetts, non-profit spiritually-based human services organization incorporated in Massachusetts that provides social services within Southern New England under a charter from Volunteers of America, Inc. (VOA), a nationwide religious non-profit spiritually based organization providing local human service programs, and opportunities for individual and community involvement. VOAMA's operations are funded primarily by government contracts, Medicare and Medicaid revenue and contributions from the general public.

VOARI is a non-profit spiritually based human services organization, incorporated in Rhode Island, which provides social services within the Rhode Island area as a subsidiary corporation of VOAMA. VOARI did not engage in any operating activities during fiscal years 2015 or 2014.

VOA Ayer, Inc. is a 79% owned subsidiary of VOAMA. The principal activity of VOA Ayer, Inc. is to perform the general partner duties of VOA Ayer Limited Partnership (the Partnership), the purpose of which is to own and operate an assisted-living facility consisting of seventy-three (73) units of housing for qualified elderly individuals located in Ayer, Massachusetts. VOA Ayer, Inc. holds a 0.01% interest in the Partnership's profit and losses. VOA Ayer, Inc. serves as the employer of record for the Partnership's employees.

VOAC is a Massachusetts nonprofit corporation. VOAC's purpose is to own and operate an assisted-living facility consisting of seventy-eight (78) units of housing for qualified elderly individuals (the Project), located in Concord, Massachusetts. The Project is regulated by the Commonwealth of Massachusetts (State), Executive Office of Elder Affairs (EOEA) as to operating methods as an assisted living residence. VOAC has two members, Volunteers of America National Services, Inc., a Minnesota nonprofit corporation, and VOAMA. VOAC's operations are funded primarily by resident fees.

VOA Ayer Memory Support LLC is a Massachusetts limited liability company created to own and develop an Alzheimers unit. VOAMA is the sole member of VOA Ayer LLC.

VOA Somerville Veterans Housing, Inc. (VOA Somerville) was established as a Massachusetts nonprofit corporation in 2012. VOAMA is the sole member of VOA Somerville. VOA Somerville's purpose is to develop, own, and operate twenty-two (22) transitional and seven (7) permanent housing units for homeless veterans in Somerville, Massachusetts. VOA Somerville's operations are funded primarily by rental income and government grants.

Subsequent to year end, VOAMA created VOA Malden Manager, Inc., a Massachusetts Corporation, VOA Malden Assisted Living LLC, and VOA Malden Assisted Living MT LLC, Massachusetts Limited Liability Companies, to (i) acquire, hold, develop, manage, operate, invest in, and otherwise deal with interests in real property, including an assisted living facility and memory care project located in Malden, Massachusetts.

Volunteers of America of Massachusetts, Inc. and Affiliates

Notes to Combining Financial Statements - *Continued*

June 30, 2015 with Comparative Totals for 2014

1. Principles of Combination and Organizations - Continued

Some VOAMA and VOARI board members also serve on the boards of VOAC and VOA Somerville, along with other board members who are independent of VOAMA.

The Organization operates the following categories of service and programs:

Encouraging Positive Development for Youth at Risk

The Organization provides services to encourage positive development for troubled and at-risk youth.

Rebound Adolescent and Family Treatment Center provides treatment to young men with substance abuse histories. Total Youth Services expenses for the fiscal years ended June 30, 2015 and 2014 was \$1,426,150 and \$2,585,413, respectively.

Fostering Independence

The Organization fosters the health and independence of the elderly through a wide range of independent, health care, and assisted-living services at its Concord and Ayer assisted-living facilities. Total expenses for elderly services for the fiscal years ended June 30, 2015 and 2014 was \$5,799,599 and \$5,579,039, respectively.

The Organization fosters the health and independence of youth, adults and seniors with mental illness through its The Family Center for Counseling and Education, a licensed community health clinic that provides assessment and treatment services and operates two locations in Taunton and Quincy. Total expenses for mental health services for the fiscal years ended June 30, 2015 and 2014 was \$1,017,653 and \$1,445,830, respectively.

Promoting Self-sufficiency

The Organization promotes self-sufficiency for individuals who have experienced homelessness or other personal crisis, including chemical dependency and involvement with the corrections system. The Hello Houses at Massachusetts Avenue and at Long Island provide residential treatment for substance abusing men and women, including veterans and individuals on probation. Shiloh House and Next Step Apartments provide supportive housing and aftercare for men and women in recovery. The Supportive Services for Veteran Families program assists very low income Veteran families residing in or transitioning to permanent housing by providing a range of supportive services designed to promote housing stability. The Homeless Veterans Reintegration Program assists homeless veterans to obtain meaningful employment and reintegration into the labor force. Total expenses for promoting self-sufficiency through recovery services for the fiscal years ended June 30, 2015 and 2014 was \$3,935,758 and \$3,192,820, respectively.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash Equivalents

For purposes of the statement of financial position and cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except cash equivalents held for investment.

Accounts Receivable

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on historical collection experience and its assessment of current economic conditions. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts receivable are stated net of allowance for doubtful accounts. Allowance for doubtful accounts totaled \$109,378 and \$111,171, at June 30, 2015 and 2014, respectively.

Due from Affiliates (Loans Receivable)

Loans receivable from affiliated entities are carried at unpaid principal balances, less an allowance for loan losses. Management's periodic evaluation of the adequacy of the allowance is based on its review of the affiliates' financial position and any adverse situations that may affect their ability to repay, their contractual obligations and current economic conditions. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the terms of the loan agreements. The Organization's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the affiliates' failure to meet repayment terms, the affiliates' deteriorating or deteriorated financial condition, or for other reasons.

Loans are placed on nonaccrual when management believes that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to bad debts. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies – Continued

Investments

Marketable Securities

Investments in marketable securities are recorded at fair value based on quoted market prices, in accordance with the framework for fair value measurements established by FASB. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Dividends, interest and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use. Dividends, interest and restricted gains whose restrictions are met in the same reporting period are reported as unrestricted support.

Investment in Limited Partnership

The Organization uses the equity method of accounting for its partnership interest in the Partnership. Under the equity method of accounting, investments are recorded at cost and increased or decreased by the Organization's share of earnings or losses, contributions or distributions. If the Organization (a) is not committed to provide further financial support for the partnership, (b) has already reduced its investment in and advances to the partnership to zero, and (c) has other investments (i.e. loans, leases, etc.) in the partnership, the Organization continues to report its share of the partnership's losses up to the adjusted basis of those other investments.

Fixed Assets

Land, building and equipment purchases by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, building and equipment over \$2,000. Repairs, maintenance, and planned major maintenance activities are charged to operations using the direct expensing method.

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fixed assets are depreciated using the straight-line method. Depreciation expense for the fiscal years ended June 30, 2015 and 2014 was \$511,940 and \$431,874, respectively. The Organization's buildings are subject to mortgage liens.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies – Continued

Fixed Assets - Continued

Costs that relate to land development projects are capitalized as development in progress. Interest costs are capitalized while the development is in progress.

The Organization uses the direct expensing method to account for planned major maintenance activities, under which actual costs incurred are expensed directly when maintenance is performed.

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2015 and 2014.

Intangible Assets

Financing fees are being amortized over the term of the respective mortgage using the straight-line method.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that there may be impairment. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds its fair value. There were no impairment losses recognized in 2015 and 2014.

Net Assets

The Organization classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted. Within unrestricted net assets, the Board of Directors has further designated certain net assets that management cannot use without prior Board approval. These net assets have been classified as board-designated endowment net assets in the combining financial statements. All net assets are considered to be available for unrestricted use unless specifically restricted by a donor or by law.

Temporarily restricted net assets include contributions with donor-imposed time or purpose restrictions. When the time restriction expires or the contributions are used for the restricted purpose, temporarily restricted net assets become unrestricted and are reported in the combining statement of activities as net assets released from restrictions.

Permanently restricted net assets included contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity. The Organization did not have any permanently restricted net assets at June 30, 2015 and 2014.

Volunteers of America of Massachusetts, Inc. and Affiliates

Notes to Combining Financial Statements - *Continued*

June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies – Continued

Revenue Recognition

VOAMA operates its programs under various unit rate contracts and third party payor agreements with Medicaid, Medicare and various commercial insurance carriers, health maintenance organizations and preferred provider organizations. Revenue is generated by billing units of service delivered to pre-approved and covered individuals. Revenue is recognized as services are provided. Revenue is recorded at the estimated net realizable amounts. On cost reimbursement contracts, income equals expenses incurred; therefore, the excess (deficit) is carried as a liability (deferred revenue) or as an asset (accounts receivable up to the contract limit).

VOA Ayer, Inc.'s revenue is recognized as employee services are provided to the Partnership. Any amounts received in advance of the services provided are recorded as deferred revenue.

VOAC's revenue consists primarily of resident fees. Resident fees, principally earned from short-term residency agreements on rental units, are recognized as income as the rents become due. Payments received in advance are deferred until earned.

VOA Somerville's revenue consists primarily of rental income and government grants. Income is recognized when earned. Payments received in advance are deferred until earned. All leases between the VOA Somerville and its tenants are operating leases.

Grants and Contributions

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized as support when the conditions on which they depend are substantially met.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the grants and contributions are recognized. All other donor-restricted grants and contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made.

Donated Services and In-Kind Donations

The Organization receives donated services and in-kind donations in support of its operations. Donated materials, facilities and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills that are provided by entities or persons possessing those skills and would need to be purchased if they were not donated, are recorded as contributions in the financial statements. Donated services such as fund-raising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements. Donated services received in support of the administrative function and in-kind donations received in support of programs totaled \$23,577 and \$41,029 respectively, for the years ended June 30, 2015 and 2014. These donations have been recorded in the Combining Statement of Activities.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies – Continued

Advertising and Marketing

Advertising and marketing costs are charged to operations when incurred. The Organization incurred advertising and marketing costs of \$94,767 and \$85,104, respectively, for the fiscal years ended June 30, 2015 and 2014.

Income Taxes

VOAMA, VOARI, VOAC, and VOA Somerville are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a subordinate of VOA and are exempt from state income taxes under Massachusetts and Rhode Island General Laws. The organizations are exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). Unrelated business income, of which there was none for the fiscal years ended June 30, 2015 and 2014, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

VOA Ayer, Inc. is a taxable entity. Any provision for income taxes is included in the financial statements. VOA Ayer Memory Support LLC is a single member limited liability company that is disregarded for income tax purposes. VOA Ayer Memory Support LLC financial activity is reported in the information return of VOAMA.

The Organization has adopted the requirements of the "Income Taxes" topic of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification. The Codification provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements, and requires the evaluation of tax positions taken or expected to be taken in the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold, along with accrued interest and penalties thereon, would be recorded as an expense in the current year financial statements. The Organization has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2015 returns and believe they are more-likely-than-not of being sustained if examined by Federal or state tax authorities. The Organization's 2012 through 2014 tax fiscal years remain subject to examination by Federal and state tax authorities.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Combining Statement of Activities. Accordingly, costs have been allocated among the programs and services benefited.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenditures during the reporting period. Actual results could differ from those estimates.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

2. Summary of Significant Accounting Policies – Continued

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional areas. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

3. Lease Obligations

VOAMA occupies space located in greater Boston, Massachusetts under various operating leases. Rent expense for all programs for the fiscal years ended June 30, 2015 and 2014 was \$102,008 and \$343,789, respectively.

The future minimum payments due under the various operating leases are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2016	\$ 36,900
2017	21,000
2018	22,200
2019	<u>11,400</u>
Total	<u>\$ 91,500</u>

4. Pension Plan

VOAMA maintains a defined contribution pension plan for its employees. All full time employees are eligible to participate in the plan. VOAMA matches participant contributions of 1% to 3% with 3% to 6% contributions based on the participant's base salary. For employees who began employment on or before June 30, 2009, they are immediately fully vested in employer contributions. For employees who began employment after June 30, 2009, they vest in employer contributions at 25% each year over a 60 month period after the first 24 months of participation.

Additionally, VOAMA participates, through VOA, in a multi-employer, non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Because the VOA plan is multi-employer, the accumulated benefits and net assets available for benefits as they relate solely to VOAMA are not readily available. Pension plan expense was \$96,743 and \$117,975, respectively, for the fiscal years ended June 30, 2015 and 2014.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

5. Mortgages and Notes Payable

Mortgages and notes payable at June 30, 2015 and 2014 consisted of the following:

VOAC	<i>2015</i>	<i>2014</i>
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VOAC entered into a \$14,120,000 Mortgage Loan and Trust Agreement (Mortgage Agreement) dated May 1, 2007 with the Massachusetts Development Finance Agency (MDFA) and Wells Fargo Bank, N.A. (Bond Trustee). The mortgage was funded with proceeds from First Mortgage Revenue Refunding Bonds, VOA Concord Assisted Living, Inc. – Series 2007 (the Series 2007 Bonds). The Series 2007 Bonds were issued by MDFA to allow VOAC to refinance a previously held HUD-insured mortgage, to fund a Debt Service Reserve Fund and to fund a Replacement Reserve Fund.

The Series 2007 Bonds are secured by a mortgage on VOAC's land and building, a security interest in its gross revenues and a security interest in its interest in all moneys and other investments established under the Mortgage Agreement. VOAMA is not obligated for the payment of debt service or performance of any financial covenant associated with the Series 2007 Bonds nor is it obligated to advance funds to VOAC for payment of debt service requirements or operating expenses.

	<u>\$ 12,705,000</u>	<u>\$ 12,920,000</u>
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The Series 2007 Bonds mature on November 1 of the following fiscal years and bear interest at the following rates per annum:

<i>Fiscal Year</i>	<i>Interest Rate</i>	<i>Principal Amount</i>
2017	5.000%	\$ 2,135,000
2027	5.125%	3,340,000
2041	5.200%	<u>8,645,000</u>
Total		<u>\$ 14,120,000</u>

The following are the minimum debt service payments required under the mortgage agreement for the next five fiscal years:

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 240,000	\$ 650,965	\$ 890,965
2017	250,000	639,215	889,215
2018	265,000	626,965	891,965
2019	280,000	613,924	893,924
2020	<u>290,000</u>	<u>599,959</u>	<u>889,959</u>
Total	<u>\$ 1,325,000</u>	<u>\$ 3,131,028</u>	<u>\$ 4,456,028</u>

Volunteers of America of Massachusetts, Inc. and Affiliates

Notes to Combining Financial Statements - *Continued*

June 30, 2015 with Comparative Totals for 2014

5. Mortgages and Notes Payable - Continued

For the fiscal years ended June 30, 2015 and 2014, interest expense was \$661,194 and \$668,889, respectively.

Pursuant to the Mortgage Agreement, VOAC is prohibited from disposing of any of its tangible assets, including cash and investments to any entity unless it delivers to the Bond Trustee an Accountant's Certificate demonstrating that, based on the unaudited financial statements as of any December 31, or audited financial statements as of the end of any fiscal year (1) the Debt Service Coverage Ratio for the two most recent quarterly calculation dates was at least 1.20 and (2) the number of Days Cash on Hand, as calculated after giving effect to the proposed transfer, would be at least 30. It is the intent of VOAC, as stated in the Bond Offering Memorandum, to withdraw working capital and pay it to VOAMA, such that the remaining working capital amount as of any December 31, or end of any fiscal year will be equal to 30 days of cash on hand. During 2015 and 2014, VOAC paid to VOAMA \$1,695,935 and \$1,699,548, respectively, after meeting the requirements for such disbursements, in accordance with the Mortgage Agreement.

VOAMA	<i>2015</i>	<i>2014</i>
<p>20 year mortgage note payable to Eastern Bank in the original amount of \$750,000 that matures on March 3, 2035. The mortgage is collateralized by real property, a collateral assignment of leases and rents. The note is payable in monthly installments of \$4,947, based on an interest rate of 4.92% per annum through March 3, 2035.</p>	\$ 744,566	\$ -
<p>Line of credit with Eastern Bank in the amount of \$750,000. The line of credit bears interest at the greater of 3.99% or the bank's prime rate and is payable monthly. The line is to be used to fund working capital and capital improvements. The line is collateralized by VOAMA's investments and the principal balance is payable on demand. The line expires on December 31, 2015 but is subject to an annual review by the bank.</p>	-	-
Total	<u>\$ 744,566</u>	<u>\$ -</u>

Minimum debt service payments required for each of the next five fiscal years and thereafter are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2016	\$ 23,263
2017	24,434
2018	25,663
2019	26,955
2020	28,311
Thereafter	<u>615,940</u>
Total	<u>\$ 744,566</u>

Interest expense was for the year ended June 30, 2015 was \$11,692.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

5. Mortgages and Notes Payable - Continued

VOA Somerville	<i>2015</i>	<i>2014</i>
<p>30 year mortgage note payable to Eastern Bank in the amount of \$250,000. The note matures on September 3, 2028. The mortgage is collateralized by a first mortgage on real property, all business assets, a collateral assignment of leases, rents, and public subsidies and is guaranteed by VOAMA in the event of a default. The note is payable in monthly installments of \$1,054, based on an interest rate of 3% per annum through September 3, 2028.</p>	\$ 240,767	\$ 246,061
<p>Note payable to the Community Economic Development Assistance Corporation, secured by a shared second mortgage on the property, in the original amount of \$750,000. The loan is a zero interest loan. The outstanding principal shall be payable in July 2043, the maturity date, unless gross cash receipts for the year just ended exceeds gross cash expenditures as both are defined in the agreement. Unpaid amounts when due accrues interest at 5% above the prime rate published in the Wall Street Journal.</p>	750,000	750,000
<p>Note payable to the City of Somerville, secured by a third mortgage on the property, in the original amount of \$150,000. The loan matures in July 2043. Principal and interest of \$6,697, based on a 2% interest rate is due annually beginning January 20, 2014 or the first year in which there is available cash flows as defined in the loan agreement.</p>	<u>149,563</u>	<u>149,563</u>
Total	<u>\$ 1,140,330</u>	<u>\$ 1,145,624</u>

For the fiscal years ended June 30, 2015 and 2014, interest expense was \$7,423 and \$5,018, respectively.

Minimum debt service payments required for each of the next five fiscal years and thereafter are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2016	\$ 5,500
2017	5,668
2018	5,840
2019	5,509
2020	6,201
Thereafter	<u>1,111,612</u>
Total	<u>\$ 1,140,330</u>

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

6. Intangible Assets

Bond issuance costs for VOAC's Series 2007 Bonds totaling \$463,851 are being amortized over 34.5 years, the life of the mortgage. Amortization expense for both the fiscal years ended 2015 and 2014 was \$13,445. Accumulated amortization was \$108,696 and \$95,251, respectively, at June 30, 2015 and 2014.

Estimated amortization expense for each of the next five fiscal years is \$13,445.

Finance costs of \$371,201 associated with obtaining the VOAS Somerville loans to construct the veterans housing center are being amortized on a straight line basis over the term of the loans. Amortization expense for 2015 and 2014 was \$12,373 and \$6,982, respectively. Accumulated amortization was \$19,355 and \$6,982, respectively, at June 30, 2015 and 2014.

Estimated amortization expense for each of the next five fiscal years is \$12,373.

7. Vehicle Donations

The Organization accepts vehicle donations to enhance its program activities. The donations are recorded at the value sold at public auction and corresponding costs are recorded as a cost of sale. Revenue related to the car donations for the fiscal years ended June 30, 2015 and 2014 was \$13,302 and \$24,435, respectively. Related expenses were \$5,510 and \$7,197, respectively, resulting in net donations for the fiscal years ended June 30, 2015 and 2014 of \$7,792 and \$17,238, respectively.

8. Investments

Marketable Securities

Investments measured at fair value on a recurring basis consisted of the following for the fiscal years ended June 30, 2015 and 2014:

Description	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Preferred stock - Real Estate Investment Trust	\$ -	\$ -	\$ 1,000	\$ 1,000
Equity investments				
Mutual funds	678,797	-	-	678,797
Exchange traded funds	409,710	-	-	409,710
Fixed income holdings				
Mutual funds	852,982	-	-	852,982
Exchange traded funds	74,377	-	-	74,377
Commodity investment mutual fund	178,298	-	-	178,298
Investments required to be disclosed in the fair value hierarchy	\$ 2,194,164	\$ -	\$ 1,000	2,195,164
Cash				23,063
Total investments				\$ 2,218,227

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

8. Investments- Continued

Marketable Securities - Continued

Description	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Preferred stock - Real Estate Investment Trust	\$ -	\$ -	\$ 1,000	\$ 1,000
Equity investments				
Mutual funds	628,318	-	-	628,318
Exchange traded funds	487,536	-	-	487,536
Fixed income holdings				
Mutual funds	888,039	-	-	888,039
Exchange traded funds	70,934	-	-	70,934
Commodity investment mutual fund	191,467	-	-	191,467
Investments required to be disclosed in the fair value hierarchy	\$ 2,266,294	\$ -	\$ 1,000	2,267,294
Cash				39,043
Total investments				\$ 2,306,337

Limited Partnership

At June 30, 2015 and 2014, the value of the Organization's investment in the Partnership was as follows:

<i>2015</i>	<i>Controlling Interest</i>	<i>Minority Interest</i>	<i>Total</i>
Investment at June 30, 2014	\$ (454,712)	\$ (73,226)	\$ (527,938)
Allocated income	11	3	14
Investment at June 30, 2015	\$ (454,701)	\$ (73,223)	\$ (527,924)
Operating Deficit Guaranty	\$ 335,750	\$ 89,250	\$ 425,000
<i>2014</i>			
Investment at June 30, 2013	\$ (454,723)	\$ (73,229)	\$ (527,952)
Allocated income	11	3	14
Investment at June 30, 2014	\$ (454,712)	\$ (73,226)	\$ (527,938)
Operating Deficit Guaranty	\$ 335,750	\$ 89,250	\$ 425,000

VOA Ayer, Inc. as the general partner is obligated to provide any funds needed by the Partnership up to the Operating Deficit Guaranty Amount of \$425,000. Therefore, the investment in limited partnership is reported at the Organization's share of the Operating Deficit Guaranty Amount.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

9. Restricted Funds (VOAC Only)

Pursuant to the Mortgage Agreement, VOAC established the following restricted funds. The restricted funds are held in separate accounts and generally are not available for operating purposes.

Expense Fund

An Expense Fund was established to pay for the costs of issuing the bonds. Any earnings or residual amounts in the Expense Fund after payment of the bond issuance costs shall be transferred to the Bond Fund.

Bond Fund

A Bond Account and an Interest Account, collectively referred to as the Bond Fund, was established to hold principal and interest payments due for bond payments. Payments of 1/12 of the annual sinking fund requirement are being deposited monthly to the Bond and Interest Accounts. VOAC granted the Bond Trustee a security interest in all deposits of the Bond Fund for the benefit of the bond owners. Any amounts deposited for bond payments that remain unclaimed for three fiscal years following the scheduled date of such payment shall, upon written direction from VOAC, be released to VOAC.

Debt Service Reserve Fund

A Debt Service Reserve Fund was established in an amount equal to the Debt Service Fund Requirement as calculated in accordance with the Mortgage Agreement. Amounts in the Debt Service Reserve Fund shall be used to cure any deficiency in the applicable account of the Bond Fund. The Debt Service Reserve Fund is subject to valuation on each February 1, May 1, August 1, November 1, and at the request of VOAC. If on any such date, the value of the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, VOAC shall pay to the Trustee the amount of such deficiency in 24 equal monthly installments if the deficiency is the result of a withdrawal to cure a deficiency in the Bond Fund or within 120 days for any other reason. If the valuation indicates excess amounts are, or will be on deposit, VOAC may direct in writing the manner in how the excess shall be used, subject to an opinion of Bond Counsel. The Debt Service Reserve Fund was initially funded with bond proceeds of \$887,133.

Replacement Reserve Fund

A Replacement Reserve Fund was established with an initial deposit of \$362,048 from the bond proceeds to fund the renewal, renovation or replacement of any part of the Project or maintenance or repair of the Project of an extraordinary and nonrecurring nature, provided, however, that any such expenditure shall be for capital expenditures in accordance with generally accepted accounting principles as certified by VOAC. Monthly deposits of \$3,320 are required to be made to the Replacement Reserve Fund until such time as the amount on deposit shall equal the Replacement Reserve Fund Requirement of \$500,000. If VOAC fails to make proper payments to the Bond Fund, the Bond Trustee shall withdraw such amounts from the Replacement Reserve Fund before making a withdrawal from the Debt Service Reserve Fund.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

9. Restricted Funds (VOAC Only) – Continued

Replacement Reserve Fund - Continued

Activity within the restricted funds for the fiscal years ended June 30, 2015 and 2014 was as follows:

<i>2015</i>	<i>Beginning</i>		<i>Withdrawals</i>	<i>Ending</i>
	<i>Balance</i>	<i>Additions and</i>	<i>and</i>	<i>Balance</i>
<i>Restricted Funds</i>	<i>July 1</i>	<i>Interest</i>	<i>Transfers</i>	<i>June 30</i>
Expense Fund	\$ 26	\$ -	\$ -	\$ 26
Bond Fund	297,678	951,941	(877,090)	372,529
Debt Service Reserve Fund	898,527	45,573	(56,966)	887,134
Replacement Reserve Fund	<u>453,817</u>	<u>36,567</u>	<u>-</u>	<u>490,384</u>
Total	<u>\$ 1,650,048</u>	<u>\$ 1,034,081</u>	<u>\$ (934,056)</u>	<u>\$ 1,750,073</u>
<i>2014</i>	<i>Beginning</i>		<i>Withdrawals</i>	<i>Ending</i>
	<i>Balance</i>	<i>Additions and</i>	<i>and</i>	<i>Balance</i>
<i>Restricted Funds</i>	<i>July 1</i>	<i>Interest</i>	<i>Transfers</i>	<i>June 30</i>
Expense Fund	\$ 26	\$ -	\$ -	\$ 26
Bond Fund	299,572	875,696	(877,590)	297,678
Debt Service Reserve Fund	898,527	45,573	(45,573)	898,527
Replacement Reserve Fund	<u>420,570</u>	<u>33,247</u>	<u>-</u>	<u>453,817</u>
Total	<u>\$ 1,618,695</u>	<u>\$ 954,516</u>	<u>\$ (923,163)</u>	<u>\$ 1,650,048</u>

The following is summary of the VOAC's Replacement Reserve investments at Wells Fargo Bank, N.A. that are measured at fair value on a recurring basis at June 30, 2015 and 2014:

	June 30, 2015			
Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Prime Investment Money Market Fund	\$ -	\$ 791,778	\$ -	\$ 791,778
Fixed income securities				
Private Debt Obligations	<u>-</u>	<u>887,133</u>	<u>-</u>	<u>887,133</u>
Total	<u>\$ -</u>	<u>\$ 1,678,911</u>	<u>\$ -</u>	<u>\$ 1,678,911</u>
Cash (deposits in transit)				<u>71,162</u>
Total				<u>\$ 1,750,073</u>
	June 30, 2014			
Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Prime Investment Money Market Fund	\$ -	\$ 675,908	\$ -	\$ 675,908
Fixed income securities				
Private Debt Obligations	<u>-</u>	<u>887,133</u>	<u>-</u>	<u>887,133</u>
Total	<u>\$ -</u>	<u>\$ 1,563,041</u>	<u>\$ -</u>	<u>\$ 1,563,041</u>
Cash (deposits in transit)				<u>87,007</u>
Total				<u>\$ 1,650,048</u>

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

9. Restricted Funds (VOAC Only) - Continued

Replacement Reserve Fund - Continued

The fair value of the level 2 investment was determined using the income approach. The income approach to fair value measurement estimates the fair value by calculating the present value of future cash flows that the asset is expected to generate over its lifetime. The cash flows are discounted to the measurement date at rate of return that is required to compensate with the risk associated with receipt of the future cash flows.

There was no change in valuation techniques during 2015 or 2014.

10. Due from Affiliates

Due from VOA Ayer Limited Partnership

At June 30, 2015 and 2014 VOAMA holds a promissory note in the amount of \$510,000 from the Partnership. The note accrues interest at 5.25%. Principal and interest are due semi-annually each March and September beginning March 1, 2009. All outstanding principal and interest are due on February 1, 2046, the maturity date. Interest income for both fiscal years ended 2015 and 2014 was \$26,775 and accrued interest receivable at June 30, 2015 and 2014 was \$13,210 and \$2,030, respectively. During 2015 and 2014, VOAMA received interest payments of \$0 and \$226,915, respectively. The promissory note is secured by a fourth mortgage on the Partnership's real estate. VOAMA can only be repaid from "Surplus Cash" as defined in the Partnership's HUD regulatory agreement.

At June 30, 2015 and 2014 VOAMA holds a promissory note in the amount of \$814,556 and \$1,109,531, respectively, from the Partnership. The note accrues interest at 3%. Principal and interest are due semi-annually each March and September beginning March 1, 2009. All outstanding principal and interest are due on February 1, 2046, the maturity date. Interest income for both fiscal years ended June 30, 2015 and 2014 was \$33,285 and accrued interest receivable at June 30, 2015 and 2014 was \$14,346 and \$30,747, respectively. During 2015 and 2014, VOAMA received principal and interest payments of \$316,697 and \$253,232, respectively. The promissory note is secured by a fourth mortgage on the Partnership's real estate. VOAMA can only be repaid from "Surplus Cash" as defined in the Partnership's HUD regulatory agreement.

At June 30, 2015 and 2014, VOAMA is due \$432,243 and \$420,245, respectively, from the Partnership for advances made on behalf of the Partnership for the construction of its elderly housing project. The advances are non-interest bearing and are secured by a fourth mortgage on the Partnership's real estate. VOAMA can only be repaid from "Surplus Cash" as defined in the Partnership's HUD regulatory agreement.

VOA Ayer, Inc. is due an annual non-cumulative \$25,000 Partnership Management Fee for all years beginning on or after January 1, 2014. The fee can only be paid from "Surplus Cash" as defined in the Partnership's HUD regulatory agreement and based on the priority specified in the partnership agreement. There was no remaining "Surplus Cash" at June 30, 2015, after providing for the higher priority items per the partnership agreement.

VOA Ayer, Inc. is due an Incentive Partnership Management Fee beginning January 1, 2014. The fee is 80% of any remaining "Surplus Cash" as defined in the Partnership's HUD regulatory agreement and based on the priority specified in the partnership agreement. There was no remaining "Surplus Cash" at June 30, 2015, after providing for the higher priority items per the partnership agreement.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

10. Due from Affiliates - Continued

Due from VOA Somerville

VOA Somerville received a loan of \$202,959 developer fee loan from VOAMA, dated October 10, 2012. The loan bears interest at 2%. The loan is secured by a mortgage on the Project and matures on June 30, 2042. No payments have been made against this loan. As of June 30, 2015, accrued interest totaled \$10,851.

VOAMA serves as the management agent of the VOA Somerville Project pursuant to a management agreement dated October 10, 2012 and will manage all aspects of project operations. VOAMA is paid a fee of 6% of all collections of the Project. The agreement is in force for a period of one year and shall continue thereafter until terminated by either party pursuant to the terms of the agreement. As of June 30, 2015, VOAMA was owed \$45,229 for outstanding management fees and costs incurred on behalf of the Project.

Due from VOA Ayer Memory Support LLC

As of June 30, 2015 and 2014 VOAMA has advanced \$212,865 and \$212,424, respectively, to VOA Ayer Memory Support to purchase land and study the feasibility of building an Alzheimers unit in Ayer, Massachusetts.

11. Due to Affiliate

VOAMA is affiliated with VOA, which provides supporting services to it for a fee. Affiliate fees for the fiscal years ended June 30, 2015 and 2014 totaled \$145,200 and \$130,300, respectively. At June 30, 2015 and 2014, VOAMA owed \$28,745 and \$22,473, respectively, to VOA.

12. Development Projects

As of June 30, 2015, development costs represent costs incurred in developing an Alzheimers unit in Ayer, Massachusetts, and developing an assisted living facility in Malden, Massachusetts. As of June 30, 2014, development costs represented costs incurred in developing twenty-two (22) SRO transitional and seven (7) permanent housing units for homeless veterans in Somerville, Massachusetts, in addition to the Alzheimers unit and assisted living facility.

13. Rebtable Arbitrage

Pursuant to Sections 103 and 148 (f) of the Internal Revenue Code, the Corporation is subject to an arbitrage liability if the income earned on unspent bond proceeds (Expense Fund, Debt Service Reserve Fund and Replacement Reserve Fund) exceed the amount that would have been earned if they were invested at the bond yield. During 2015 a rebatable arbitrage computation engagement was performed for the period of May 16, 2007, the closing date, through May 31, 2015. The report concluded that since the investment yield was lower than the bond yield, no rebate liability existed. The next rebate computation is scheduled for May 31, 2016.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

14. Concentrations

Revenue and Support

During 2015 and 2014, the Commonwealth of Massachusetts (the Commonwealth) provided 15% and 24%, respectively, of the Organization's total revenue and support and represented 44% and 29%, respectively, of the accounts receivable balance at June 30, 2015 and 2014. Amounts due from affiliates represent 76% and 77%, respectively, of the total receivables owed to the Organization.

Credit Risk

The Organization maintains its accounts at several financial institutions and the Bond Trustee. Accounts at the financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. At one institution accounts are fully insured by the Securities Investor Protection Corporation (SIPC) and excess SIPC insurance for amounts in excess of the SIPC coverage. The restricted funds are held by the Bond Trustee. Accounts at the Bond Trustee are not covered by FDIC insurance. Balances in excess of insured limits at June 30, 2015 and 2014 totaled \$2,126,662 and \$3,037,942, respectively. The Organization has not experienced any losses in its accounts. The Organization believes it is not exposed to any significant credit risk on cash balances within its accounts.

Market Concentration

VOAC's and VOA Somerville's sole assets are the Projects Their operations are concentrated in the assisted living and subsidized housing markets. In addition, they operate in a heavily regulated environment. Their operations are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of government or an administrative change mandated by EOEA, VA or HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

15. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 were use restricted for the following:

<i>Use Restriction</i>	2015	2014
Seeking safety training	\$ 1,384	\$ 1,384
Tauntun Family Center	-	5,123
Casa Isla Yoga (health and wellness awareness)	37,081	25,631
Action Team (youth volunteerism promotion)	5,941	7,241
Shiloh House	10,112	86,375
Hello House Women's Substance Abuse Treatment	1,914	43,561
Capacity building	-	15,576
Veterans housing	-	4,175
Total	<u>\$ 56,432</u>	<u>\$ 189,066</u>

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

16. Board-Designated Endowment

As of June 30, 2015 and 2014, the Board of Directors had designated \$2,218,227 and \$2,306,337, respectively, of unrestricted net assets as a general endowment to support the mission of the Organization.

The Organization has a spending policy of appropriating for distribution each year 4 percent of its board-designated endowment fund's average fair value for the prior quarter preceding the fiscal year in which the distribution is planned. The appropriation is used to fund capital improvements of the Organization. In addition, the Board may at times approve the use of board-designated endowment funds for the Organization's investment in new programs and projects.

In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its general endowment fund to grow at an average of 4 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of four percent (4%), while growing the fund if possible. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately seven percent (7%) annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition of and changes in endowment net assets for the fiscal years ended June 30, 2015 and 2014 were as follows:

	2015	2014
Board-designated endowment net assets, beginning of year	\$ 2,306,337	\$ 1,854,747
Contributions	-	270,000
Investment income	73,647	57,873
Net appreciation	(62,302)	214,357
Amounts appropriated for expenditure	<u>(99,455)</u>	<u>(90,640)</u>
Board-designated endowment net assets, end of year	<u>\$ 2,218,227</u>	<u>\$ 2,306,337</u>

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

17. Contingencies

Development Loans

VOA Somerville received a 50 year \$1,000,000 zero percent interest loan to finance the development of the veterans housing project from the Massachusetts Department of Housing and Community Development. The loan matures in July 2063. Under the terms of the loan, if the project is in compliance with the terms of the loan, during the one year period prior to the maturity date, VOA Somerville may request that the loan be extended for another 50 years to maintain the affordability of the project. The loan is secured by a third mortgage on the project. Since it is the intent and mission of VOA Somerville to maintain the project as affordable housing in perpetuity, loan proceeds, which were fully received as of June 30, 2015, have been recorded as unrestricted net assets. At June 30, 2015 VOA Somerville was in compliance with the provisions of the loan.

VOA Somerville received a 40 year \$250,000 zero percent interest loan to finance the development of the veterans housing project from the City of Somerville. The loan matures in July 2053. Under the terms of the loan, if the project is in compliance with the terms of the loan, during the one year period prior to the maturity date, VOA Somerville may request that the loan be extended for another 40 years to maintain the affordability of the project. The loan is secured by a third mortgage on the project. Since it is the intent and mission of VOA Somerville to maintain the project as affordable housing in perpetuity, loan proceeds, which were fully received as of June 30, 2015, have been recorded as unrestricted net assets. At June 30, 2015 VOA Somerville was in compliance with the provisions of the loan.

VOA Somerville received a 30 year \$1,500,000 zero percent interest loan to finance the development of the veterans housing project from the Massachusetts Housing Finance Agency through the Massachusetts Affordable Housing Trust Fund Statute. The loan matures on July 9, 2043. The loan is secured by a mortgage on the Project. Under the terms of the loan, if the Project is in compliance with the terms of the loan, during the one year period prior to the maturity date, VOA Somerville may request that the loan be extended for another 30 years to maintain the affordability of the Project. Since it is the intent and mission of VOA Somerville to maintain the project as affordable housing in perpetuity, loan proceeds, which were fully received as of June 30, 2015, have been recorded as unrestricted net assets. At June 30, 2015 VOA Somerville was in compliance with the provisions of the loan.

VOA Somerville received a 30 year \$350,000 zero percent interest loan to finance the development of the veterans housing project from the Massachusetts Department of Housing and Community Development under the U.S. Department of Housing and Urban Development's HOME Investment Partnership Program. The loan matures on July 9, 2043. The loan is secured by a mortgage on the Project. Since it is the intent and mission of VOA Somerville to maintain the project as affordable housing in perpetuity, loan proceeds, which were fully received as of June 30, 2015, have been recorded as unrestricted net assets. At June 30, 2015 VOA Somerville was in compliance with the provisions of the loan.

The total contingent liability not recorded in the financial statements at June 30, 2015 is \$3,100,000.

Limited Partnership

VOA Ayer, Inc. as the general partner of the Partnership has various obligations as described in the partnership agreement, including the obligation to provide funds to cover operating deficits up to \$425,000. As of June 30, 2015 and 2014, VOA Ayer, Inc. has not been required to provide funding to the Partnership.

Volunteers of America of Massachusetts, Inc. and Affiliates
Notes to Combining Financial Statements - *Continued*
June 30, 2015 with Comparative Totals for 2014

17. Contingencies - Continued

Contracts

VOAMA and VOA Somerville contracts with governmental agencies and third-party payors. The contracts are subject to audit by the respective funding source and could result in the recapture of previously reported revenue. Management does not believe that any such disallowance, if found, would be material to the Organization's financial statements. Accordingly, no provision for any liability that may result has been made in financial statements.

18. Surplus Revenue Retention

Per State regulations, VOAM is entitled to retain an annual surplus, up to five percent (5%) of total revenues attributable or generated by State agreements to further its charitable purpose. The cumulative surplus amount, which can be retained, may not in total exceed twenty (20%) of its prior year's gross revenue from the State.

The surplus revenue retention calculations for 2015 and 2014 are as follows:

	2015	2014	
<i>Calculation of SRR 5% Annual Limit:</i>			
A	\$ (223,168)	\$ (233,905)	Total Surplus Attributable to Commonwealth
B	\$ 2,097,780	\$ 3,747,400	Total Commonwealth Revenue
C	-10.64%	-6.24%	SRR Percentage(A/B)
D	\$ (223,168)	\$ (233,905)	Allowed SRR Amount for Current Year (5% limit)
E	\$ -	\$ -	Liability on Annual SRR (annual amount exceeding 5% limit)
 <i>Calculation of SRR 20% Accumulated Limit:</i>			
F	\$ (4,079,034)	\$ (3,845,129)	Starting SRR Balance from prior year
G	\$ -	\$ -	Authorized Expenditures of SRR Balance (F)
H	\$ (4,079,034)	\$ (3,845,129)	Accumulated SRR balance adjusted for audit period expenditures (F-G)
I	\$ (223,168)	\$ (233,905)	Allowed SRR Accrual Amount for Current Year (D)
J	\$ (4,302,202)	\$ (4,079,034)	Accumulated SRR balance (H+I)
K	\$ 3,747,400	\$ 3,910,175	Prior Year's Comm. of Mass. Revenue
L	\$ 749,480	\$ 782,035	SRR Policy 20% Accumulated balance limit (20% of K)
M	\$ -	\$ -	Liability based SRR Policy 20% rule on accumulated SRR balance (J-L)

19. Subsequent Events

The Organization has evaluated subsequent events through October 26, 2015, which is the date the financial statements were available to be issued.