



FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

SPRINGWELL, INC.

Contents
June 30, 2018 and 2017

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50 Washington Street
Westborough, MA 01581
508.366.9100
aafcpa.com

Independent Auditor's Report

To the Board of Directors of
Springwell, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Springwell, Inc. (a Massachusetts corporation, not for profit), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springwell, Inc. as of June 30, 2018 and 2017, 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.

Alexander, Cronson, Penning & Co., P.C.
Boston, Massachusetts
October 25, 2018

SPRINGWELL, INC.Statements of Financial Position
June 30, 2018 and 2017

Assets	2018	2017
Current Assets:		
Cash	\$ 5,958,770	\$ 4,444,839
Accounts receivable	7,135,241	6,924,549
Prepaid expenses	125,826	110,776
Total current assets	13,219,837	11,480,164
Security Deposits	76,040	76,040
Property and Equipment:		
Equipment	610,091	615,673
Furnishings	302,496	273,343
Leasehold improvements	170,645	104,355
	1,083,232	993,371
Less - accumulated depreciation	843,921	751,695
Net property and equipment	239,311	241,676
Total assets	<u>\$ 13,535,188</u>	<u>\$ 11,797,880</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of capital lease obligation	\$ 17,255	\$ 19,775
Accounts payable, accrued expenses and other	3,645,425	3,440,903
Deferred rent	131,266	142,770
Total current liabilities	3,793,946	3,603,448
Capital Lease Obligation, net of current portion	-	17,255
Total liabilities	3,793,946	3,620,703
Net Assets:		
Unrestricted:		
Operating	9,053,181	7,388,421
Designated	280,392	448,180
Property and equipment	222,056	204,646
Total unrestricted	9,555,629	8,041,247
Temporarily restricted	185,613	135,930
Total net assets	9,741,242	8,177,177
Total liabilities and net assets	<u>\$ 13,535,188</u>	<u>\$ 11,797,880</u>

The accompanying notes are an integral part of these statements.

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SPRINGWELL, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Contract revenue	\$ 40,227,057	\$ -	\$ 40,227,057	\$ 38,379,878	\$ -	\$ 38,379,878
Contributions and grants	423,101	60,312	483,413	326,156	86,892	413,048
Program service fees	475,312	-	475,312	434,752	-	434,752
Interest income and other	10,488	-	10,488	9,735	-	9,735
Net assets released from purpose restrictions	10,629	(10,629)	-	6,409	(6,409)	-
Total revenues	41,146,587	49,683	41,196,270	39,156,930	80,483	39,237,413
Expenses:						
Program services:						
Home care services to elders	34,990,535	-	34,990,535	33,441,148	-	33,441,148
Nursing home screening	493,221	-	493,221	450,087	-	450,087
Nutrition and community services	1,347,458	-	1,347,458	1,408,822	-	1,408,822
Protective services	994,247	-	994,247	1,119,708	-	1,119,708
Total program services	37,825,461	-	37,825,461	36,419,765	-	36,419,765
Support services:						
General and administrative	1,665,599	-	1,665,599	1,431,321	-	1,431,321
Fundraising	141,145	-	141,145	127,807	-	127,807
Total support services	1,806,744	-	1,806,744	1,559,128	-	1,559,128
Total expenses	39,632,205	-	39,632,205	37,978,893	-	37,978,893
Changes in net assets	1,514,382	49,683	1,564,065	1,178,037	80,483	1,258,520
Net Assets:						
Beginning of year	8,041,247	135,930	8,177,177	6,863,210	55,447	6,918,657
End of year	\$ 9,555,629	\$ 185,613	\$ 9,741,242	\$ 8,041,247	\$ 135,930	\$ 8,177,177

SPRINGWELL, INC.Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,564,065	\$ 1,258,520
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	126,865	133,739
Changes in operating assets and liabilities:		
Accounts receivable	(210,692)	(1,063,984)
Prepaid expenses	(15,050)	4,991
Accounts payable, accrued expenses and other	204,522	439,765
Deferred rent	(11,504)	195
	<u>1,658,206</u>	<u>773,226</u>
Net cash provided by operating activities	1,658,206	773,226
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(124,500)	(57,408)
Cash Flows from Financing Activities:		
Payment of capital lease obligation	(19,775)	(18,758)
Net Change in Cash	1,513,931	697,060
Cash:		
Beginning of year	<u>4,444,839</u>	<u>3,747,779</u>
End of year	<u>\$ 5,958,770</u>	<u>\$ 4,444,839</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 1,397</u>	<u>\$ 2,414</u>

SPRINGWELL, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2018

(With Summarized Comparative Totals for the Year Ended June 30, 2017)

	2018								2017	
	Program Services				Support Services				Total	
	Home Care Service to Elders	Nursing Home Screening	Nutrition and Community Services	Protective Services	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Contracted Services	\$ 29,799,078	\$ -	\$ 60,055	\$ -	\$ 29,859,133	\$ -	\$ -	\$ -	\$ 29,859,133	\$ 28,639,292
Personnel and Related:										
Salaries and wages	3,690,092	377,875	884,268	693,554	5,645,789	1,003,069	89,260	1,092,329	6,738,118	6,472,002
Payroll taxes and fringe benefits	757,037	77,715	192,164	142,091	1,169,007	206,216	18,304	224,520	1,393,527	1,257,562
Total personnel and related costs	4,447,129	455,590	1,076,432	835,645	6,814,796	1,209,285	107,564	1,316,849	8,131,645	7,729,564
Occupancy:										
Rent	228,865	21,161	61,807	69,413	381,246	145,398	7,962	153,360	534,606	554,358
Depreciation	43,062	1,976	7,282	5,929	58,249	67,837	779	68,616	126,865	133,739
Repairs and maintenance	-	-	3,550	-	3,550	50,583	360	50,943	54,493	69,580
Utilities	10,344	956	2,782	3,137	17,219	6,571	360	6,931	24,150	20,602
Total occupancy	282,271	24,093	75,421	78,479	460,264	270,389	9,461	279,850	740,114	778,279
Other:										
Professional fees	142,116	1,022	26,938	18,452	188,528	70,115	143	70,258	258,786	293,967
Staff training and travel	88,333	4,803	26,000	21,959	141,095	5,575	-	5,575	146,670	144,695
Recruiting	76,474	305	33,659	20,849	131,287	5,712	301	6,013	137,300	56,941
Program support	87,616	4,033	23,479	10,387	125,515	-	-	-	125,515	123,072
Office supplies	45,160	2,602	10,508	5,893	64,163	10,424	861	11,285	75,448	49,061
Dues and subscriptions	4,017	-	6,487	-	10,504	41,448	8,774	50,222	60,726	73,871
Printing and postage	18,341	773	7,909	2,583	29,606	1,957	9,604	11,561	41,167	37,628
Insurance	-	-	-	-	-	41,057	-	41,057	41,057	36,984
Miscellaneous	-	-	570	-	570	2,597	4,437	7,034	7,604	8,603
Leased equipment	-	-	-	-	-	7,040	-	7,040	7,040	6,936
Total other operating expenses	462,057	13,538	135,550	80,123	691,268	185,925	24,120	210,045	901,313	831,758
Total operating expenses before allocation of general and administrative expenses	34,990,535	493,221	1,347,458	994,247	37,825,461	1,665,599	141,145	1,806,744	39,632,205	37,978,893
General and Administrative Allocation	1,070,030	109,620	259,002	201,066	1,639,718	(1,665,599)	25,881	(1,639,718)	-	-
Total operating expenses	\$ 36,060,565	\$ 602,841	\$ 1,606,460	\$ 1,195,313	\$ 39,465,179	\$ -	\$ 167,026	\$ 167,026	\$ 39,632,205	\$ 37,978,893

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2017

	Program Services				Support Services				Total
	Home Care Service to Elders	Nursing Home Screening	Nutrition and Community Services	Protective Services	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Contracted Services	\$ 28,462,903	\$ -	\$ 176,389	\$ -	\$ 28,639,292	\$ -	\$ -	\$ -	\$ 28,639,292
Personnel and Related:									
Salaries and wages	3,567,240	345,811	877,573	829,631	5,620,255	770,626	81,121	851,747	6,472,002
Payroll taxes and fringe benefits	688,745	66,714	178,430	159,830	1,093,719	148,211	15,632	163,843	1,257,562
Total personnel and related costs	4,255,985	412,525	1,056,003	989,461	6,713,974	918,837	96,753	1,015,590	7,729,564
Occupancy:									
Rent	237,528	19,231	66,513	56,319	379,591	166,580	8,187	174,767	554,358
Depreciation	43,124	1,715	7,029	6,718	58,586	74,374	779	75,153	133,739
Repairs and maintenance	-	-	3,550	-	3,550	65,894	136	66,030	69,580
Utilities	8,908	721	2,333	2,112	14,074	6,221	307	6,528	20,602
Total occupancy	289,560	21,667	79,425	65,149	455,801	313,069	9,409	322,478	778,279
Other:									
Professional fees	174,817	852	24,141	14,249	214,059	79,784	124	79,908	293,967
Staff training and travel	83,989	5,060	25,945	20,789	135,783	8,912	-	8,912	144,695
Recruiting	28,719	4,619	6,654	12,378	52,370	4,571	-	4,571	56,941
Program support	86,089	3,156	23,007	10,820	123,072	-	-	-	123,072
Office supplies	23,640	1,482	7,415	4,762	37,299	11,327	435	11,762	49,061
Dues and subscriptions	18,042	-	1,268	-	19,310	45,221	9,340	54,561	73,871
Printing and postage	17,404	726	7,875	2,100	28,105	2,066	7,457	9,523	37,628
Insurance	-	-	-	-	-	36,984	-	36,984	36,984
Miscellaneous	-	-	700	-	700	3,614	4,289	7,903	8,603
Leased equipment	-	-	-	-	-	6,936	-	6,936	6,936
Total other operating expenses	432,700	15,895	97,005	65,098	610,698	199,415	21,645	221,060	831,758
Total operating expenses before allocation of general and administrative expenses	33,441,148	450,087	1,408,822	1,119,708	36,419,765	1,431,321	127,807	1,559,128	37,978,893
General and Administrative Allocation	894,425	86,695	221,926	207,942	1,410,988	(1,431,321)	20,333	(1,410,988)	-
Total operating expenses	\$ 34,335,573	\$ 536,782	\$ 1,630,748	\$ 1,327,650	\$ 37,830,753	\$ -	\$ 148,140	\$ 148,140	\$ 37,978,893

The accompanying notes are an integral part of these statements.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2018 and 2017

1. OPERATIONS AND NONPROFIT STATUS

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

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

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

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

As a designated provider for MassHealth, the Agency operates the *Adult Foster Care Program* and the *Personal Care Attendant Program*, all of which are intended to provide services to keep adults with disabilities in the community instead of an institution. These programs are no longer being offered by the Agency as of June 30, 2018.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Unrestricted Net Assets

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

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

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

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

Temporarily restricted net assets include amounts received with donor restrictions which have not yet been expended for their designated purposes. Temporarily restricted net assets consist of purpose restricted grants totaling \$185,613 and \$135,930 as of June 30, 2018 and 2017, respectively.

Accounts Receivable and Allowance for Uncollectible Accounts

Included in accounts receivable are amounts for Federal and state funding, as well as program service fees which were not received by the Agency prior to year-end. It is the Agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. There was no allowance for doubtful accounts as of June 30, 2018 and 2017.

Property and Equipment and Depreciation

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

Equipment	3 years
Furnishings	7 years
Leasehold improvements	Lesser of 10 years or lease term

Fair Value Measurements

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

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

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

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

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

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

Revenue Recognition

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

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

Expense Allocation

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

In-kind Goods and Services

The Agency receives services of volunteers primarily for its Nutrition and Home Care programs. The value of these services is not reflected in the accompanying financial statements, since the services by the donating volunteers do not meet the recognition criteria outlined in U.S. GAAP. During fiscal years 2018 and 2017, the estimated value of these donated services was approximately \$592,000 and \$624,000, respectively.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2018 and 2017. The Agency's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through October 25, 2018, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. FUNDING

The Agency receives significant funding from various governmental sources for services rendered under cost reimbursement and unit-rate contracts. These contracts are subject to possible audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Agency as of June 30, 2018 and 2017, or on its changes in its net assets for the years then ended.

Approximately 78% and 82% of contract revenues were received from EOEAs during 2018 and 2017, respectively. Approximately 73% and 82% of accounts receivable at June 30, 2018 and 2017, respectively, were due from EOEAs. Approximately 16% and 13% of accounts receivable at June 30, 2018 and 2017, respectively, were due from another funding source.

4. LINE OF CREDIT

The Agency has available up to \$600,000 under a line of credit agreement with a bank. Borrowings are due on demand and interest is payable monthly at the *Wall Street Journal's* prime rate (5.00% and 4.25% at June 30, 2018 and 2017, respectively), but will not be less than 4% at any time. The line of credit is secured by all assets of the Agency and is renewable annually in November by the bank. As of June 30, 2018 and 2017, there was no outstanding balance under this agreement. Under this agreement, the Agency must meet certain financial covenants. The Agency was in compliance with these covenants as of June 30, 2018 and 2017.

5. CAPITAL LEASE OBLIGATION

The Agency leases certain equipment under a capital lease agreement that expires in fiscal year 2019. The future minimum lease payments under this agreement in fiscal year 2019 total \$17,643 which consists of principal payments of \$17,255 and interest payments at a rate of 4% totaling \$388.

The total cost of assets under capital lease obligation was \$58,814 as of June 30, 2018 and 2017. Accumulated depreciation on assets under capital lease obligation was \$49,013 and \$29,408 as of June 30, 2018 and 2017, respectively.

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2018 and 2017

6. RETIREMENT PLANS

The Agency has a defined contribution pension plan covering all eligible employees in accordance with IRC Section 401(k). Employees become eligible after completing one year of service and reaching the age of 21. The Agency matches 50% of participant contributions up to 3% of an employee's annual compensation. The Agency also contributes a discretionary amount determined annually (3.0% and 2.5% for the years ended June 30, 2018 and 2017, respectively). Pension expense was \$196,339 and \$169,460 for the years ended June 30, 2018 and 2017, respectively, and is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

During fiscal year 2017, the Agency began participating in an IRC Section 403(b) Tax Deferred Annuity Plan. Payments are made by participating employees in the form of voluntary salary reductions. The Agency does not contribute to this plan.

7. FACILITY LEASE

The Agency leases office space under an operating lease which expires on September 30, 2022, with a five-year option to extend, which has not been exercised as of June 30, 2018. Rental expense under the lease is calculated using the straight-line method over the term of the lease in accordance with ASC Topic, *Accounting for Leases*. Total rent expense under the lease was \$534,606 and \$554,358 for the years ended June 30, 2018 and 2017, respectively, and is reflected as rent in the accompanying statements of functional expenses. Deferred rent under this lease totaled \$131,266 and \$142,770 as of June 30, 2018 and 2017, respectively.

Future minimum facility lease payments are as follows:

2019	\$ 523,508
2020	\$ 535,206
2021	\$ 546,905
2022	\$ 558,603
2023	\$ 140,382

8. CONTINGENCIES

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

9. CONCENTRATION OF CREDIT RISK

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

SPRINGWELL, INC.

Notes to Financial Statements
June 30, 2018 and 2017

10. DESIGNATED UNRESTRICTED NET ASSETS

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

The following is a summary of the designated unrestricted net assets as of and for the years ended June 30, 2018 and 2017:

<u>EOEA Program</u>	<u>2017 Total</u>	<u>2018 Activity</u>	<u>2018 Total</u>
Home Care POS	\$ 277,482	\$ (230,136)	\$ 47,346
Enhanced POS	<u>170,698</u>	<u>62,348</u>	<u>233,046</u>
	<u>\$ 448,180</u>	<u>\$ (167,788)</u>	<u>\$ 280,392</u>
<u>EOEA Program</u>	<u>2016 Total</u>	<u>2017 Activity</u>	<u>2017 Total</u>
Home Care POS	\$ 304,577	\$ (27,095)	\$ 277,482
Enhanced POS	<u>46,845</u>	<u>123,853</u>	<u>170,698</u>
	<u>\$ 351,422</u>	<u>\$ 96,758</u>	<u>\$ 448,180</u>

During fiscal years 2018 and 2017, EOEI authorized the Agency to transfer up to 3% of both programs' current year revenues to cover program deficits in other EOEI programs. During fiscal years 2018 and 2017, the Agency transferred \$220,186 and \$210,619, respectively, under this provision.

11. COMMITMENTS

The Agency entered into sub-awards under the Title IIIB Support Services Program. These commitments expire as of September 30, 2018 and 2017, and total \$23,057 and \$30,801 as of June 30, 2018 and 2017, respectively.

12. RECLASSIFICATIONS

Certain amounts in the fiscal year 2017 financial statements were reclassified to conform with the fiscal year 2018 presentation.