

**Family Caregiver Alliance**

Financial Statements

and

Schedules Required Under OMB Circular A-133

For the years ended June 30, 2014 and 2013

with

Reports of Independent Auditors

## Family Caregiver Alliance

### Table of Contents

	<u>Page</u>
Data Collection Form	
Financial Statements	
Report of Independent Auditors	1
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7
Supplemental Reports	
Schedule of Expenditures of Federal Awards	15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	18
Schedule of Findings and Questioned Costs	20

Report of Independent Auditors

Board of Directors  
Family Caregiver Alliance

**Report on the Financial Statements**

We have audited the accompanying financial statements of Family Caregiver Alliance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Family Caregiver Alliance as of June 30, 2014 and 2013, 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.

## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2015, on our consideration of Family Caregiver Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Caregiver Alliance's internal control over financial reporting and compliance.

  
Wilson Markle Stuckey Hardesty & Bott, LLP  
Larkspur, CA  
May 25, 2015

**Family Caregiver Alliance**  
**Statements of Financial Position**  
**As of June 30, 2014 and 2013**

	2014	2013
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 173,074	\$ 139,985
Investments	555,618	468,132
Receivables		
State of California, Department of Mental Health	100,555	91,045
Other governmental contracts	164,393	443,665
Foundation grants	86,500	86,550
Other	61,773	133,957
Prepaid expenses	29,656	40,679
Total current assets	1,171,569	1,404,013
Property and equipment, at cost		
Office equipment	102,337	102,337
Furniture and fixtures	46,637	46,637
Leasehold improvements	16,256	16,256
	165,230	165,230
Accumulated depreciation and amortization	(153,476)	(149,110)
Property and equipment, net	11,754	16,120
Deposits	34,314	36,375
Total assets	\$ 1,217,637	\$ 1,456,508
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 172,175	\$ 191,703
Deferred revenue	20,809	36,818
Total current liabilities	192,984	228,521
Deferred rent	21,258	14,695
Net assets		
Unrestricted	673,064	773,102
Temporarily restricted	330,331	440,190
Total net assets	1,003,395	1,213,292
Total liabilities and net assets	\$ 1,217,637	\$ 1,456,508

See accompanying notes.

**Family Caregiver Alliance**  
**Statements of Activities and Changes in Net Assets**  
For the years ended June 30, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily restricted	Totals	Unrestricted	Temporarily restricted	Totals
Support and revenue						
Government contracts	\$ 1,207,071	\$ -	\$ 1,207,071	\$ 1,417,031	\$ -	\$ 1,417,031
Contributions	67,086	-	67,086	57,414	11,368	68,782
Foundation and corporate grants	33,500	272,248	305,748	14,668	187,058	201,726
Client fees	2,315	-	2,315	400	-	400
Interest and dividend income	8,675	-	8,675	11,856	-	11,856
Gain on investments	48,032	-	48,032	29,332	-	29,332
Other revenue	37,211	-	37,211	23,185	-	23,185
Net assets released from restrictions	382,107	(382,107)	-	406,714	(406,714)	-
Total support and revenue	1,785,997	(109,859)	1,676,138	1,960,600	(208,288)	1,752,312
Expenses						
Program services	1,492,303	-	1,492,303	1,662,390	-	1,662,390
Management and general	359,689	-	359,689	325,555	-	325,555
Fundraising and development	34,043	-	34,043	35,975	-	35,975
Total expenses	1,886,035	-	1,886,035	2,023,920	-	2,023,920
Change in net assets	(100,038)	(109,859)	(209,897)	(63,320)	(208,288)	(271,608)
Net assets, beginning of year	773,102	440,190	1,213,292	836,422	648,478	1,484,900
Net assets, end of year	\$ 673,064	\$ 330,331	\$ 1,003,395	\$ 773,102	\$ 440,190	\$ 1,213,292

See accompanying notes.

**Family Caregiver Alliance**  
**Statements of Functional Expenses**  
For the years ended June 30, 2014 and 2013

	2014			2014 Total	2013			2013 Total
	Program services	Management and general	Fundraising and development		Program services	Management and general	Fundraising and development	
Salaries	\$ 619,714	\$ 217,608	\$ 19,349	\$ 856,671	\$ 681,105	\$ 215,448	\$ 19,236	\$ 915,789
Payroll taxes	59,220	20,793	1,849	81,862	71,467	22,606	2,018	96,091
Employee benefits	102,298	35,702	3,174	141,174	129,512	40,693	3,633	173,838
Retirement plan	12,691	4,456	396	17,543	10,398	3,289	294	13,981
Family support services	137,962	-	275	138,237	115,440	-	-	115,440
Program fees and consultants	75,465	-	-	75,465	46,045	-	-	46,045
Occupancy	105,201	32,441	3,167	140,809	89,676	31,925	2,850	124,451
Office expenses	24,218	4,383	185	28,786	39,423	6,296	276	45,995
Equipment leases	12,187	1,700	2,280	16,167	16,849	437	3,176	20,462
Communications	37,102	11,092	1,020	49,214	40,476	-	486	40,962
Printing	3,017	34	171	3,222	10,816	517	-	11,333
Postage and delivery	5,883	209	1,157	7,249	5,702	250	1,954	7,906
Travel and conferences	60,588	1,255	-	61,843	67,694	674	23	68,391
Insurance	8,200	2,544	248	10,992	8,826	-	-	8,826
Subcontractor services	144,796	24,400	-	169,196	246,088	-	-	246,088
Depreciation	3,257	1,010	99	4,366	7,937	2,511	224	10,672
Alzheimer's Disease Caregiving Legacy Award	60,000	-	-	60,000	60,000	-	-	60,000
Other	20,504	2,062	673	23,239	14,936	909	1,805	17,650
	<u>\$ 1,492,303</u>	<u>\$ 359,689</u>	<u>\$ 34,043</u>	<u>\$ 1,886,035</u>	<u>\$ 1,662,390</u>	<u>\$ 325,555</u>	<u>\$ 35,975</u>	<u>\$ 2,023,920</u>

See accompanying notes.

**Family Caregiver Alliance**  
**Statements of Cash Flows**  
For the years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (209,897)	\$ (271,608)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,366	10,672
Gain on investments	(48,032)	(29,332)
Changes in operating assets and liabilities:		
Accounts receivable		
State of California, Department of Mental Health	(9,510)	7,204
Other governmental contracts	279,273	235,550
Foundation grants	50	109,024
Other	72,184	(89,512)
Prepaid expenses	11,023	(8,307)
Deposits	2,061	(5,639)
Accounts payable and accrued expenses	(19,528)	(26,193)
Deferred revenue	(16,009)	(18,773)
Deferred rent	6,563	(7,109)
	72,544	(94,023)
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Increase (decrease) in investments	(39,454)	102,212
	(39,454)	102,212
Net cash provided (used) by investing activities		
Net increase in cash and cash equivalents	33,090	8,189
Cash and cash equivalents, beginning of year	139,985	131,796
Cash and cash equivalents, end of year	\$ 173,075	\$139,985

See accompanying notes.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 1 - Summary of significant accounting policies

Organization

Family Caregiver Alliance (FCA) is a non-profit California corporation formed in 1980 to address the needs of families and friends providing long-term care at home. FCA offers programs at national, state and local levels to support and sustain caregivers.

Basis of presentation

FCA receives funds from governmental agencies, private foundations and the general public. Major funding and ongoing programs are as follows:

*Bay Area Caregiver Resource Center (CRC)* is funded by the State of California, Department of Mental Health. For residents of six San Francisco Bay Area counties, FCA serves as the point of entry to specialized caregiver services including information, emotional support, consultation on care planning, links to community programs, legal and financial consultation, respite services, counseling, publications and educational programs. All services are provided free or at low cost.

Caregiver services are funded by contracts with five San Francisco Bay Area counties to provide various support services for those county residents. The funding for these contracts is provided by the US Government, Department of Health and Human Services pursuant to the Older Americans Act, Title III-E.

*The National Center on Caregiving (NCC)* tracks policy development on the local state and national levels; conducts research on health and social system supports of family caregivers; follows innovative programs and tools for caregivers; offers technical assistance to legislators, long-term care providers, and health and social services providers; and offers information and referrals to caregivers nationally. NCC programs are funded by grants and contracts from a number of national foundations and public policy institutes.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 1 - Summary of significant accounting policies (continued)

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting. FCA records contributions when promised, revenues when earned and expenses when incurring the related obligation. FCA recognizes revenues from reimbursable cost contracts when incurring the related expenses.

Certain support for the programs of FCA may be directed by the donors to specific periods or programs. FCA classifies such amounts as temporarily restricted revenues and net assets in the accompanying financial statements. When donor restrictions expire or are otherwise met, FCA reclassifies temporarily restricted net assets as unrestricted net assets under the heading "net assets released from restrictions" in the statement of activities and changes in net assets.

Allocation of certain costs between program services, management and general, and fundraising and development is determined annually based on estimated amounts of personnel time and occupied space.

Fair value

FCA uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs consist of unobservable inputs that reflect internal judgments and have the lowest priority. FCA uses appropriate valuation techniques based on the available inputs to measure the fair value of its contributions. When available, FCA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. FCA only uses Level 3 inputs when Level 1 or Level 2 inputs are not available.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 1 - Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist principally of amounts on deposit with a commercial bank, available on demand.

Investments

Investments in mutual funds and equity securities are stated at fair value. Realized and unrealized gains and losses on investments are reported in the statement of activities and changes in net assets.

Allowance for uncollectible accounts receivable

FCA uses the allowance method to account for uncollectible receivables. Under this method, FCA reviews all receivables for any problems with collectability. If FCA feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. At June 30, 2014 and 2013, FCA concluded that an allowance for doubtful accounts was not necessary.

Property and Equipment

Property and equipment with an initial cost of \$2,500 or more acquired by purchase are stated at cost. Property and equipment acquired by donation are stated at estimated value. FCA calculates depreciation using the straight-line method over the estimated useful lives of the property and equipment that range from five to seven years. Leasehold improvements are amortized over the term of the lease.

Deferred revenue

Deferred revenue consists of amounts advanced or drawn down under fee-for-service contracts that exceed revenue earned.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 1 - Summary of significant accounting policies (continued)

In-kind contributions

The contribution of services are recognized in the financial statements if the services received create or enhance assets or require specialized skills that are provided by persons possessing such skills and would typically need to be purchased if not provided by donation. For the years ended June 30, 2014 and 2013, FCA did not receive services that meet the criteria for recognition in the financial statements. FCA did receive notable volunteer time in its caregiver camps and in its fundraising efforts.

Income taxes

FCA has been advised by governmental authorities that it is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California. FCA has been classified as other than a private foundation under Internal Revenue Codes Section 509(a)(1). Accordingly, donors are entitled to the maximum charitable contribution allowed by law. The management of FCA believes that no activities of FCA jeopardized its exemption from income taxes or its classification as a "public charity." Consequently, FCA provided no income tax provision herein.

FCA is required to report information regarding its exposure to various tax positions taken by it and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that FCA has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Tax years 2012 to 2014 are open for examination by the Internal Revenue Service and years 2011 to 2014 by the California Franchise Tax Board.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 1 - Summary of significant accounting policies (continued)

Use of estimates (continued)

statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Reclassifications

Certain June 30, 2013 amounts in the accompanying financial statements have been reclassified from those previously reported in order to be consistent with the current year's presentation.

Subsequent events

FCA evaluated subsequent events for recognition and disclosure through May 25, 2015, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2014 that required recognition or disclosure herein.

Note 2 - Investments

Investments are valued using the Level 1 hierarchy and consist of the following at June 30,

	<u>2014</u>	<u>2013</u>
Mutual funds		
Vanguard Global Equity	\$252,909	\$214,912
Vanguard Total Bond Market Index	138,095	148,579
Money market funds		
Vanguard Prime	95,001	42,479
Charles Schwab	7,161	62,162
Franklin Money	55,000	
Other	<u>7,452</u>	<u>-</u>
 Total	 <u>\$555,618</u>	 <u>\$468,132</u>

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 3 - Bank line of credit

FCA has available a revolving line of credit in the amount of \$150,000 from a commercial bank. Of the amount available, none was borrowed at June 30, 2014 or 2013. The line of credit is secured principally by receivables. Interest on amounts borrowed is due monthly at the bank's index rate plus 1.75 percent (3.25 percent index rate at June 30, 2014). The credit line is subject to annual renewal by the bank.

Note 4 - Lease commitment

FCA leases its office space under an operating lease through November 2016. Required future minimum rent payments total as follows for the years ending June 30: 2015 - \$131,003, 2016 - \$134,875 and 2017 - \$57,273.

Deferred rent in the accompanying statement of financial position at June 30, 2013 resulted from the excess of rental expense determined on a straight-line basis during the lease term over the monthly cash rental payments.

Rent expenses for the year ended June 30, 2014 was \$114,580 (2013 - \$121,118)

Note 5 - Employee benefit plan

FCA offers a retirement plan for the benefit of its employees under section 403(b) of the Internal Revenue Code. The plan allows for employee elective contributions and for employer matching contributions. Matching contributions are determined annually at the discretion of FCA. Employee contributions are 100 percent vested. Employer contributions vest annually depending on years of service, and are fully vested after five years. FCA provided a 25% matching contribution for the years ended June 30, 2014 and 2013. FCA-incurred employer contribution expenses during the year ended June 30, 2014 totaled \$17,543 (2013 - \$13,981).

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2014

Note 6 - Risks, uncertainties and concentrations

FCA is primarily supported by government grants and contracts, which for the year ended June 30, 2014 were approximately 72% of total revenue (2013 - 81%). The contracts are subject to annual renewal. A significant reduction in the level of contract support, if this were to occur without replacement from other revenue and support, could adversely affect the extent of FCA's programs and activities.

At various times during the years ended June 30, 2014 and 2013, FCA had deposits with a commercial bank in excess of FDIC insured limits. Investment balances are not federally insured.

FCA has received support that may be subject to audit or review by the grantor agencies. Management believes that FCA has complied with all aspects of grant and contract provisions and disallowed costs, if any, would be insignificant to its financial position.

Note 7 - Temporarily restricted net assets

Temporarily restricted net assets consist of amount received by FCA for which donor-imposed use restrictions have not yet been met. Temporarily restricted net assets and net assets released from restrictions during the year ended June 30, 2014 consist of the following:

**Family Caregiver Alliance**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 7 - Temporarily restricted net assets (continued)**

	Balance			Balance			Balance
	June 30, 2012	Additions	Releases	June 30, 2013	Additions	Releases	June 30, 2014
Program restrictions							
San Francisco Bay Area Caregiver							
Resource Services							
Silicon Valley Community Foundation	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	-	\$ -
Pacific Gas and Electric Company	2,017	4,000	4,469	1,548	1,000	2,548	-
Richard Essey	-	11,368	11,368	-	12,048	12,048	-
Middle Tennessee Foundation	24,511	-	24,511	-	-	-	-
San Francisco Foundation	14,349	-	-	14,349	-	-	14,349
Zion Health Fund	1,524	7,200	3,999	4,725	7,200	4,523	7,402
Mills-Peninsula Health Services	-	-	-	-	3,000	3,000	-
The Retirement Research Foundation	5,907	-	-	5,907	-	-	5,907
Sequoia Hospital	-	-	-	-	10,000	-	10,000
National Women's Health	-	-	-	-	2,500	2,500	-
Edward M Dowd	-	-	-	-	3,000	3,000	-
Foster Foundation	-	-	-	-	100,000	2,877	97,123
Other	34,776	-	-	34,776	-	-	34,776
	88,084	22,568	49,347	61,305	138,748	30,496	169,557
Policy and research programs							
AARP	-	32,000	25,000	7,000	-	7,000	-
Rosalinde & Arthur Gilbert Foundation	137,590	118,858	142,436	114,012	116,500	117,360	113,152
Genentech	7,636	25,000	17,952	14,684	17,000	2,296	29,388
Margaret A. Cargill Foundation	191,806	-	105,220	86,586	-	86,586	-
Stavros Niarchos Foundation	187,889	-	37,832	150,057	-	131,823	18,234
The Health Trust	19,871	-	13,325	6,546	-	6,546	-
	544,792	175,858	341,765	378,885	133,500	351,611	160,774
Total program restricted net assets	632,876	198,426	391,112	440,190	272,248	382,107	330,331
Time restrictions							
The Margaret A. Cargill Foundation	15,602	-	15,602	-	-	-	-
Total time restricted net assets	15,602	-	15,602	-	-	-	-
Total temporarily restricted net assets	\$ 648,478	\$ 198,426	\$ 406,714	\$ 440,190	\$ 272,248	\$ 382,107	\$ 330,331

**Family Caregiver Alliance**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2014

Agency, title and number	CFDA	Award	Expenditures	
			2014	Cumulative
Department of Health and Human Services				
Special Programs for the Aging_ Title IV_ and Title II_Discretionary Projects				
Award # 90PG0004/03	93.048	\$ 1,908,110	\$ 14,045	\$ 1,063,354
National Family Caregiver Support, Title III, Part E				
1. Master Contract #900175	93.052	111,266	111,266	336,984
2. Master Contract # 40-158-13	93.052	103,976	103,976	369,281
3. Master Contract # 40-158-13	93.052	34,636	34,636	51,725
4. Contract # DPAG14000010	93.052	1,638,881	399,332	1,602,775
5. Contract #5700014D030	93.052	102,999	99,865	297,243
6. MOU-MCDA	93.052	13,750	13,750	36,725
		2,005,508	762,825	2,694,733
<b>Total</b>		<b>\$ 3,913,618</b>	<b>\$ 776,870</b>	<b>\$ 3,758,087</b>

- 1 - Subgrantor is County of Alameda, California
- 2 - Subgrantor is County of Contra Costa, California
- 3 - Subgrantor is County of Contra Costa, California
- 4 - Subgrantor is City and County of San Francisco, California
- 5 - Subgrantor is County of San Mateo, California
- 6 - Subgrantor is County of Marin, California

Note A - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Caregiver Alliance under programs of the federal government for the year ending June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Because the Schedule presents only a selected portion of the operations of Family Caregiver Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Caregiver Alliance.

Note B - Summary of significant accounting principles

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, "Cost Principles for Non-profit Organizations" wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) Regarding the award passed through from the County of Marin, Family Caregiver Alliance is sub-contracted through the Alzheimer's Association of Northern California.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Board of Directors  
Family Caregiver Alliance

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Caregiver Alliance (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Family Caregiver Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Caregiver Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Family Caregiver Alliance's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Family Caregiver Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wilson Markle Stuckey Hardesty & Bott, LLP  
Larkspur, California  
May 25, 2015

Independent Auditor's Report on Compliance for Each Major Program and  
on Internal Control over Compliance Required by OMB Circular A-133

Board of Directors  
Family Caregiver Alliance

**Report on Compliance for Each Major Federal Program**

We have audited Family Caregiver Alliance's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Family Caregiver Alliance's major federal programs for the year ended June 30, 2014. Family Caregiver Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Family Caregiver Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Family Caregiver Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Family Caregiver Alliance's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Family Caregiver Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control over Compliance

Management of Family Caregiver Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family Caregiver Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family Caregiver Alliance's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wilson Markle Stuckey Hardesty & Bott, LLP  
Larkspur, California  
May 25, 2015

**Family Caregiver Alliance**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

Section I - Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Family Caregiver Alliance.
2. The audit disclosed no significant deficiencies or material weaknesses related to the audit of the financial statements in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*".
3. The audit disclosed no instances of noncompliance material to the financial statements of Family Caregiver Alliance, which "Government Auditing Standards" would require to disclose.
4. The audit disclosed no deficiencies considered to be material weaknesses or significant deficiencies related to internal control over major federal award programs in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133".
5. The auditor's report on compliance for the major federal award programs for Family Caregiver Alliance expresses an unmodified opinion on all major federal award programs.
6. The audit disclosed no audit findings that Section 510(a) of OMB Circular A-133 requires auditors to report in this Schedule (below).
7. The program(s) tested as major programs included:
  - Department of Health and Human Services
  - CFDA 93.052: National Family Caregiver Support, Title III, Part E
8. The threshold to distinguish between Type A and B programs was \$300,000.
9. Family Caregiver Alliance was a high-risk auditee.

Findings – Financial Statements Audit:  
None found or reported.

Findings and Questioned Costs – Major Federal Award Programs Audit:  
None found or reported.