



**FAMILY CAREGIVER ALLIANCE®**  
*National Center on Caregiving*

**Family Caregiver Alliance**

Financial Statements

and

Schedule of Expenditures of Federal Awards  
Required Under OMB Circular A-133

For the years ended June 30, 2015 and 2014

with

Reports of Independent Auditors

## Report of Independent Auditors

To the Board of Directors of the **Family Caregiver Alliance**:

### Report on the Financial Statements

We have audited the accompanying financial statements of Family Caregiver Alliance (a non-profit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, 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.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

### Responsibility of the Auditor

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 our 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 preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### Other Information

We conducted our audits to form 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. We have subjected such information 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 of America. 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 16, 2016, on our consideration of internal control over financial reporting of Family Caregiver Alliance (internal control) and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering internal control over financial reporting and compliance.

*Wilson Markle Stuckey Hardesty & Bott, LLP*

**Wilson Markle Stuckey Hardesty & Bott, LLP**

Larkspur, CA

May 16, 2016

**Family Caregiver Alliance**  
 Statements of Financial Position  
 June 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 149,892	\$ 173,074
Investments	681,936	555,618
Contributions receivable	500,606	86,500
Contracts receivable	579,191	264,948
Other receivables	6,927	61,773
Prepaid expenses	38,181	29,656
Property and equipment, net	32,283	11,754
Deposits	23,581	34,314
Total assets	\$2,012,597	\$1,217,637
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 295,419	\$ 172,175
Deferred revenue	–	20,809
Deferred rent	15,176	21,258
Total liabilities	310,595	214,242
 <b>Net assets</b>		
Unrestricted	453,970	673,064
Temporarily restricted	1,248,032	330,331
Total net assets	1,702,002	1,003,395
Total liabilities and net assets	\$2,012,597	\$1,217,637

See accompanying notes.

**Family Caregiver Alliance**  
Statements of Activities and Changes in Net Assets  
For the years ended June 30, 2015 and 2014

	Unrestricted	Temporarily restricted	2015 Totals	Unrestricted	Temporarily restricted	2014 Totals
Support and revenue						
Contributions	\$ 71,386	\$1,467,981	\$1,539,367	\$ 100,586	\$272,248	\$ 372,834
Government contracts	1,192,041	-	1,192,041	1,207,071	-	1,207,071
Client fees	990	-	990	2,315	-	2,315
Investment income, net	1,482	-	1,482	56,707	-	56,707
Other income	16,302	-	16,302	37,211	-	37,211
Net assets released from restrictions	550,280	( 550,280)	-	382,107	( 382,107)	-
 Total support and revenue	 1,832,481	 917,701	 2,750,182	 1,785,997	 ( 109,859)	 1,676,138
 Expenses						
Program services	1,577,259	-	1,577,259	1,492,303	-	1,492,303
Management and general	451,418	-	451,418	359,689	-	359,689
Fundraising	22,898	-	22,898	34,043	-	34,043
 Total expenses	 2,051,575	 -	 2,051,575	 1,886,035	 -	 1,886,035
 Changes in net assets	 ( 219,094)	 917,701	 698,607	 ( 100,038)	 ( 109,859)	 ( 209,897)
 Net assets, beginning of year	 673,064	 330,331	 1,003,395	 773,102	 440,190	 1,213,292
 Net assets, end of year	 <u>\$ 453,970</u>	 <u>\$1,248,032</u>	 <u>\$1,702,002</u>	 <u>\$ 673,064</u>	 <u>\$330,331</u>	 <u>\$1,003,395</u>

See accompanying notes.

**Family Caregiver Alliance**  
 Statements of Functional Expenses  
 For the years ended June 30, 2015 and 2014

Expenses	Program services	Manage- ment and general	Fund- raising	2015 Totals
Salaries	\$ 553,187	\$256,000	\$11,842	\$ 821,029
Payroll taxes	52,414	24,255	1,122	77,791
Employee benefits	121,992	56,850	2,611	181,453
Alzheimer's Disease Caregiving Legacy Award	80,000	-	-	80,000
Communications	28,363	13,105	606	42,074
Equipment	18,772	8,464	392	27,628
Family support services	228,580	-	-	228,580
Insurance	9,056	7,720	194	16,970
Occupancy	89,222	41,289	1,910	132,421
Office	13,874	6,251	1,009	21,134
Postage and delivery	3,547	1,654	3,033	8,234
Printing	4,647	1,387	59	6,093
Program fees and consultants	93,713	-	-	93,713
Subcontractors	232,602	30,740	-	263,342
Travel and conferences	42,917	76	3	42,996
Other	295	1,739	30	2,064
Depreciation	4,078	1,888	87	6,053
Total expense	<u>\$1,577,259</u>	<u>\$451,418</u>	<u>\$22,898</u>	<u>\$2,051,575</u>

Expenses	Program services	Manage- ment and general	Fund- raising	2014 Totals
Salaries	\$ 619,714	\$217,608	\$19,349	\$ 856,671
Payroll taxes	59,220	20,793	1,849	81,862
Employee benefits	114,989	44,532	3,570	163,091
Alzheimer's Disease Caregiving Legacy Award	60,000	-	-	60,000
Communications	37,102	10,411	1,020	48,533
Equipment leases	12,187	13,027	2,280	27,494
Family support services	137,962	-	-	137,962
Insurance	8,200	2,544	248	10,992
Occupancy	105,201	32,441	3,167	140,809
Office	24,218	10,710	185	35,113
Postage and delivery	5,883	209	1,157	7,249
Printing	3,017	1,816	171	5,004
Program fees and consultants	75,465	-	-	75,465
Subcontractors	144,796	150	-	144,946
Travel and conferences	60,588	4,438	-	65,026
Other	20,504	-	948	21,452
Depreciation	3,257	1,010	99	4,366
Total expense	<u>\$1,492,303</u>	<u>\$359,689</u>	<u>\$34,043</u>	<u>\$1,886,035</u>

See accompanying notes.

**Family Caregiver Alliance**  
**Statements of Cash Flows**  
For the years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$698,607	(\$209,897)
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation	6,053	4,366
Realized loss (gain) from sale of and unrealized depreciation (appreciation) from holding investments	3,555	( 48,032)
Changes in assets and liabilities		
Contributions receivable	( 414,106)	50
Contracts receivable	( 314,243)	269,763
Other receivables	54,846	72,184
Prepaid expenses	( 8,525)	11,023
Accounts payable and accrued expenses	123,244	( 19,528)
Deferred revenue	( 20,809)	( 16,009)
Deferred rent	( 6,082)	6,563
	122,540	70,483
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	765,002	–
Purchases of investments	( 894,875)	( 39,454)
Purchases of property and equipment	( 26,582)	–
Net change in deposits	10,733	2,060
	( 145,722)	( 37,394)
Net cash used by investing activities		
Net change in cash and cash equivalents	( 23,182)	33,089
Cash and cash equivalents, beginning of year	173,074	139,985
Cash and cash equivalents, end of year	\$149,892	\$173,074

See accompanying notes.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 1 – Basis of Presentation**

Organization

Family Caregiver Alliance (FCA) is a non-profit California corporation formed in 1980 to improve the quality of life for caregivers and those they care for through information, services and advocacy.

Programs and activities

FCA empowers and sustains the critical work of the family caregivers who provide long-term care at home for adult loved ones living with adult-onset chronic, life impairing health conditions.

FCA works to improve the quality of life for family caregivers, the backbone of the nation's long-term care system, through actionable education, direct services, results-driven advocacy and quality research. The shared common challenges of those who care, including adult children, spouses, partners, other relatives and friends are isolation, lack of information, major upheaval in family and work life, financial strain, marginal recognition of their important role by doctors and healthcare institutions and more. These obstacles conspire to put the health and well-being of the caregiver at risk.

FCA reaching caregivers by the numbers:

3,000 – Consultations provided to caregivers and caregiving professionals by phone and email from across the United States through the toll-free telephone and email Caregiver Help Line annually.

800 – Caregivers (unduplicated) who received an FCA direct service (assessment, counseling, case management, support group, caregiver training, legal and financial consultation) in the San Francisco Bay Area annually.

16,000 – Hours of respite care (temporary time away from caregiving) in the San Francisco Bay Area annually.

17,000 – Caregivers and caregiver professionals nationwide who subscribe to the e-newsletters, “Caregiver Connections” and “Caregiver Policy Digest.”

370,000 – Visitors to date who viewed the hands-on Caregiver College and other care videos on YouTube.

140,000 – Unique visitors per month to the website, [www.caregiver.org](http://www.caregiver.org). Visitors find practical help through Fact and Tip Sheets; resources nationwide on Family Care Navigator;

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 1 – Basis of Presentation (continued)**

online caregiver support groups and caregiver webinars and educational opportunities; and information on the National Center on Caregiving's policy and advocacy efforts to provide high quality, cost-effective programs for family caregivers in every state.

FCA is a knowledge and direct service organization. Always considering the family caregiver's perspective, FCA provides knowledge of a loved one's disease or condition and addresses the emotional, social and functional elements that infuse family caring daily. FCA seeks to strengthen the caregiver and their family's trajectory for providing care by delivering or linking them with necessary services and support to enable them to care successfully for their loved one and for themselves.

Specifically, FCA delivers programs at the local, regional and national levels to support family caregivers. As the Bay Area Caregiver Resource Center, FCA provides a range of caregiver education resources and services including:

- In-depth comprehensive caregiver assessment (in-person and by telephone)
- Care planning specific to the caregiver's need
- Caregiver classes on a wide variety of topics including managing dementia care behaviors, stress management, self-care for caregivers, problem solving and decision making skills (in person and online)
- Respite care (in-home, adult day care, overnight and Camp for Caring)
- Legal and financial guidance (fact sheets and vouchers for consultation with an attorney)
- Individual and family counseling
- Caregiver support groups (in-person and online)
- Information and referrals.

FCA maintains an ever-growing and often-referenced, peer reviewed library of caregiver fact and tip sheets available online for caregivers to access free of charge at their convenience.

FCA established the National Center on Caregiving (NCC) in 2001, to respond to requests for information from state governments and other public and private organizations nationally seeking consultation on how to address caregiver needs in their state and how to replicate a caregiver resource center model. Today, FCA is actively involved in working to build policy to improve support for caregivers by working with the Administration on Aging and the Center for Medicaid and Medicare and through partnerships with AARP and other key leaders in the health and long-term care services and support arenas.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 1 – Basis of Presentation (continued)**

About 75% of the people FCA serves are caring for someone with a cognitive impairment, including Alzheimer's, Frontotemporal dementia, vascular dementia, Parkinson's disease, stroke, traumatic brain injury and brain tumors. About 25% of the people FCA serves are caring for someone with critical conditions such as heart and lung diseases, neuromuscular conditions, advanced arthritis, diabetes or severe depression. Often, the care receiver is living with multiple conditions. A smaller but significant percentage of caregiver clients are actively caring for more than one person. In partnership with peer national organizations, FCA writes curriculum and leads classes as part of the National Caregiver Training Program for family caregivers of military veterans.

In the San Francisco Bay Area, FCA sends out the annual Caregiver Satisfaction survey to people who received an FCA service last year. The survey regularly shows a high satisfaction rating (95% last year) with a survey return rate of almost 40%. Satisfaction results are similar for those who attend a caregiver education class and complete an evaluation. As evidence of confidence of quality service, we enjoy long-standing referral relationships from health care centers, doctors, peer community service organizations, Adult Protective Services, national call centers and more.

FCA engages in advocacy for policies and programs of direct benefit to family caregivers nationwide and internationally. Working collaboratively and across broad coalitions, FCA has helped to achieve funding for the statewide system of California Caregiver Resource Centers and California's Paid Family Leave benefit. National advocacy efforts have resulted in changes in rules governing assessment of family caregivers for Medicaid waiver programs and respite rules. FCA staff are often asked to participate on expert panels related to caregiving topics for use in policy formulation, product development and system improvement in private and public sectors.

**Note 2 – Summary of Significant Accounting Policies**

Basis of accounting

FCA prepares its financial statements using accounting principles generally accepted in the United States of America (US-GAAP). 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.

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

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 2 – Summary of Significant Accounting Policies (continued)**

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 and investments. 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.

Cash and cash equivalents

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

Investments

Investments consist principally of common stock and registered investment company shares (mutual funds). FCA states its investments at fair value. Net investment income consists of interest, dividends, realized gains and losses and unrealized appreciation and depreciation.

Contributions receivable

Contributions receivable consist of promises to give due from various public charities and private foundations. All contributions receivable are due within the year ending June 30, 2016.

Contracts receivable

Contracts receivable consist of amounts due under cost reimbursement and fee-for-service contracts with the State of and various counties within California and a public charity, stated at cost. All contracts receivable are due within the year ending June 30, 2016.

Allowance for uncollectible receivables

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, FCA provides an allowance for the receivable. When attempts to collect a specific receivable are unsuccessful, FCA considers the receivable uncollectible and writes it off against the allowance. As of June 30, 2015 and 2014, FCA concluded that an allowance for uncollectible receivables was not necessary.

Property and equipment

Property and equipment consists of furniture, software, computer and office equipment and leasehold improvements. FCA capitalizes property and equipment with an initial cost (or fair value when contributed) of \$2,500 and an estimated useful life exceeding one year. FCA calcu-

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 2 – Summary of Significant Accounting Policies (continued)**

lates depreciation using the straight-line method over the estimated useful lives of the property and equipment, or the shorter remaining term of the lease for leasehold improvements.

Net assets

Net assets consist of unrestricted and temporarily restricted net assets. Donors may direct contributions to specific periods or programs. FCA classifies such contributions as temporarily restricted net assets. When donor restrictions expire or are otherwise met, FCA reclassifies temporarily restricted net assets as unrestricted net assets. FCA may classify certain donor-restricted contributions as unrestricted net assets when FCA meets the donor restrictions in the same period as the contribution.

Indirect cost allocation

FCA allocates indirect costs among program services, management and general and fundraising based principally on estimated and actual personnel time, amounts and units of service.

Income taxes

The Internal Revenue Service (IRS) and Franchise Tax Board (FTB) have advised FCA 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. In addition, 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.

FCA files information returns with the IRS and FTB, which are generally open to examination three and four years after filing, respectively.

Use of estimates

The preparation of financial statements in conformity with US-GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The management of FCA has evaluated subsequent events for recognition and disclosure through May 16, 2016, the date the financial statements were available for issuance. Management concluded that no material subsequent events have occurred since June 30, 2015, which would require recognition or disclosure.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 3 – Investments**

As of June 30, 2015, investments total as follows:

<u>Investments</u>	<u>Totals</u>	<u>Level 1</u>
Cash and cash equivalents	\$ 7,161	\$ –
Common stock	5,748	5,748
Mutual funds	<u>669,027</u>	<u>669,027</u>
Totals	<u>\$681,936</u>	<u>\$674,775</u>

As of June 30, 2014, investments total as follows:

<u>Investments</u>	<u>Totals</u>	<u>Level 1</u>
Cash and cash equivalents	\$ 7,161	\$ –
Common stock	7,452	7,452
Mutual funds	<u>541,005</u>	<u>541,005</u>
Totals	<u>\$555,618</u>	<u>\$548,457</u>

During the years ended June 30, 2015 and 2014, FCA did not transfer investments among fair value input levels.

During the years ended June 30, 2015 and 2014, net investment income totaled as follows:

	<u>2015</u>	<u>2014</u>
Interest	\$ 98	\$ 49
Dividends	6,185	8,626
Realized losses	( 27,588)	–
Unrealized appreciation	<u>22,787</u>	<u>48,032</u>
Investment income, net	<u>\$ 1,482</u>	<u>\$56,707</u>

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 4 – Contributions Receivable**

As of June 30, 2015 and 2014, contributions receivable totaled as follows:

<u>Donor</u>	<u>2015</u>	<u>2014</u>
Archstone Foundation	\$ 15,000	\$ –
Dignity Health – Sequoia Hospital	10,000	–
Fidelity Charitable Gift Fund	326,040	–
The Foster Family Foundation	25,000	–
Robert Wood Johnson Foundation	34,054	–
Retirement Research Foundation	562	–
The Rosalinde and Arthur Gilbert Foundation	<u>89,950</u>	<u>86,500</u>
Total contributions receivable	<u>\$500,606</u>	<u>\$86,500</u>

**Note 5 – Contracts Receivable**

As of June 30, 2015 and 2014, contracts receivable totaled as follows:

<u>Contractor</u>	<u>2015</u>	<u>2014</u>
Alzheimer’s Association of Northern California and Northern Nevada	\$ –	\$ 980
County of Alameda	55,640	25,133
State of California	233,193	100,555
County of Contra Costa	18,148	4,206
Easterseals	32,700	–
County of San Francisco	219,784	104,070
County of San Mateo	<u>19,726</u>	<u>30,004</u>
Total contracts receivable	<u>\$579,191</u>	<u>\$264,948</u>

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 6 – Property and Equipment**

As of June 30, 2015 and 2014, property and equipment totaled as follows:

	<u>2015</u>	<u>2014</u>
Furniture	\$ 46,637	\$ 46,637
Software, computer and office equipment	128,919	102,337
Leasehold improvements	<u>16,256</u>	<u>16,256</u>
Total property and equipment	191,812	165,230
Less accumulated depreciation	<u>159,529</u>	<u>153,476</u>
Property and equipment, net	<u>\$ 32,283</u>	<u>\$ 11,754</u>

**Note 7 – Temporarily Restricted Net Assets**

During the year ended June 30, 2015, temporarily restricted net assets reconciled as follows:

<u>Purpose</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Affordable Care Act Corporate Governance Assessment	\$ –	\$ 40,000	\$ 40,000	\$ –
Atlas of Caregiving Project	–	340,541	70,775	269,766
Care Transition	17,000	–	–	17,000
Caregiver Assessment 2.0	–	150,000	81,384	68,616
Family Care Navigator	12,388	312,240	66,824	257,804
Family Caregiver Respite and Counseling	149,301	32,200	120,644	60,857
Family Caregiver Training	14,349	–	–	14,349
Family Caregiving Clearinghouse	5,907	–	–	5,907
Innovations in Alzheimer's Disease Caregiving Legacy Award	113,152	140,000	140,465	112,687
Online Learning Communities	–	453,000	11,954	441,046
Website and Social Media	<u>18,234</u>	<u>–</u>	<u>18,234</u>	<u>–</u>
Totals	<u>\$330,331</u>	<u>\$1,467,981</u>	<u>\$550,280</u>	<u>\$1,248,032</u>

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 7 – Temporarily Restricted Net Assets (continued)**

During the year ended June 30, 2014, temporarily restricted net assets reconciled as follows:

<u>Purpose</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Affordable Care Act Corporate Governance Assessment	\$ 7,000	\$ –	\$ 7,000	\$ –
Care Transition	–	17,000	–	17,000
Family Care Navigator	14,684	–	2,296	12,388
Family Caregiver Respite and Counseling	39,501	117,200	7,400	149,301
Family Caregiver Training	14,349	–	–	14,349
Family Caregiving Clearinghouse	5,907	–	–	5,907
Innovations in Alzheimer's Disease Caregiving Legacy Award	114,012	116,500	117,360	113,152
Policy and Research	93,132	–	93,132	–
Resource Services	1,548	21,548	23,096	–
Website and Social Media	<u>150,057</u>	<u>–</u>	<u>131,823</u>	<u>18,234</u>
Totals	<u>\$440,190</u>	<u>\$272,248</u>	<u>\$382,107</u>	<u>\$330,331</u>

**Note 8 – Bank Credit Line**

FCA has available a revolving bank credit line of \$150,000 from a commercial bank. There were no borrowings due as of June 30, 2015 or 2014. Receivable secure the line of credit. Amortized principal and fixed interest (at 9.50%) payments are due monthly. The bank credit line is subject to annual approval and renewal by the commercial bank, which last occurred effective October 1, 2015.

**Note 9 – Endowment**

Effective July 1, 2014, FCA follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds” and the related state of California version of the UPMIFA (CA-UPMIFA).

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 9 – Endowment (continued)**

Endowment funds subject to only FASB ASC 958-205 include board designated net assets. During the year ended June 30, 2015, no endowment funds were subject to both FASB ASC 958-205 and CA-UPMIFA.

FCA classifies and records net assets associated with endowment funds, including funds designated by the Board of Directors of FCA to function as endowments, based on the existence or absence of donor-imposed restrictions.

The Board of Directors of FCA has interpreted the CA-UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, FCA classifies as permanently restricted net assets the original value of gifts contributed to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that FCA does not classify as permanently restricted net assets FCA classifies as temporarily restricted net assets until the Board of Directors of FCA appropriates those amounts for expenditure by FCA in a manner consistent with the standard of prudence prescribed by CA-UPMIFA. In accordance with CA-UPMIFA, FCA considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds and incorporating the limitation under California state law of appropriations to seven percent of the fair value of the endowment funds.

As of June 30, 2015, endowment funds totaled as follows:

	<u>Unrestricted</u>
Board designated	<u>\$681,936</u>

During the year ended June 30, 2015, endowment funds reconciled as follows:

	<u>Unrestricted</u>
Beginning of year	\$555,618
Dividends	6,185
Realized loss	( 27,588)
Unrealized appreciation	22,787
Board designations	<u>124,934</u>
End of year	<u>\$681,936</u>

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 9 – Endowment (continued)**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or CA-UPMIFA requires FCA to retain as a fund of perpetual duration. In accordance with US-GAAP, FCA records deficiencies of this nature in unrestricted net assets. Deficiencies may result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for programs that the Board of Directors of FCA deems prudent. As the June 30, 2015 and 2014, there was no such deficiency.

FCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

The investment policy of FCA provides for diversification, preservation of capital and risk aversion. The long-term financial goal for FCA investments is to provide a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. The long-term investment objective for FCA investments is to maximize long-term real (i.e., after inflation) total returns (i.e., yield plus capital appreciation) while moderating fundamental investment risks.

The spending policy of FCA incorporates CA-UPMIFA and consists of a spending rate, approved by the Board of Directors of FCA annually. The spending rate should provide, to the extent practical, a steady stream of income from year to year, consistent with the need to preserve the endowment fund and taking into account the factors incorporated in CA-UPMIFA.

Unrestricted (board designated) endowment funds are subject to redesignation at any time, including redesignation as other than endowment funds.

**Note 10 – Lease Commitment**

FCA leases its office space under an office lease that expires on November 30, 2016. Required future minimum lease payments for the years ending June 30, 2016 and 2017 total \$134,875 and \$57,273, respectively.

Occupancy costs include storage and other operating costs. During the years ended June 30, 2015 and 2014, rent expense totaled \$129,567 and \$138,017, respectively.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 11 – Employee Retirement Plan**

FCA offers a defined contribution retirement plan for the benefit of its eligible employees under section 403(b) of the Internal Revenue Code (IRC). The Plan allows for employee elective contributions and for employer matching contributions. Matching contributions are determined annually at the discretion of the Board of Directors of FCA. Employee contributions are 100% vested. Employer contributions vest based on years of service and fully vest after five years of service. During the years ended June 30, 2015 and 2014, FCA matched 25% of eligible employee deferrals, on deferrals up to the IRC limit. During the years ended June 30, 2015 and 2014, FCA matching contributions totaled \$32,950 and \$17,543, respectively.

**Note 12 – Risks, Uncertainties and Concentrations**

At various times during the years ended June 30, 2015 and 2014, FCA had deposits with a commercial bank in excess of federal deposit insurance limits.

As of June 30, 2015 and 2014, investments held by one custodian totaled 98% and 87% of total investments, respectively. Investments are not federally insured.

During the year ended June 30, 2015, contributions received from one public charity totaled 28% of total support and revenue. During the year ended June 30, 2015, contributions received from one private foundation totaled 12% of total support and revenue.

During the years ended June 30, 2015 and 2014, government contract revenue received from one county totaled 15% and 25% of total revenue and support, respectively.

During the years ended June 30, 2015 and 2014, government contract revenue received from one state totaled 11% and 18% of total revenue and support, respectively.

A significant reduction in the level of contributions or government contract revenue, if it were to occur without replacement from other support and revenue, could adversely affect the extent of the programs and activities of FCA.

FCA receives support and revenue that may be subject to audit or review by the grantor or contractor agencies. The management of FCA 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.

**Family Caregiver Alliance**  
Notes to Financial Statements  
June 30, 2015

**Note 13 – Related Party Transaction**

A member of the Board of Directors is the president of an entity that FCA paid for consulting and database services related to the Atlas of Caregiving Project. During the year ended June 30, 2015, FCA paid the entity \$26,398.

**Schedule of Expenditures of Federal Awards**

**Family Caregiver Alliance**  
Schedule of Expenditures of Federal Awards  
June 30, 2015

Federal grantor and Award	Pass-through entities	Identification numbers	CFDA	Expenditures of Federal awards
U.S. Department of Health and Human Services				
National Family Caregiver Support, Title III, Part E				
State of California, County of				
	Alameda	900175	93.052	\$101,403
	Contra Costa	40-158-14/15	93.052	125,288
	San Mateo	57000-15-D031	93.052	119,613
	San Francisco	DPAGI5000141	93.052	<u>395,975</u>
Total expenditures of federal awards			93.052	<u><u>\$742,279</u></u>

**Notes to the Schedule of Expenditures of Federal Awards (SEFA)**

Note A - Basis of presentation

The SEFA includes the federal grant activity of Family Caregiver Alliance (FCA) under programs of the federal government for the year ended June 30, 2015. FCA presents the information in the SEFA in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Because the SEFA presents only a selected portion of the operations of FCA, it is not intended to and does not present the financial position, changes in net assets or cash flows of FCA.

Note B - Summary of significant accounting principles

FCA reports expenditures in the SEFA using the accrual basis of accounting. FCA recognizes such expenditures 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. FCA presents pass-through entity identifying numbers when available.

**Report of Independent Auditor 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**

To the Board of Directors of the **Family Caregiver Alliance**:

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 non-profit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 16, 2016.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the internal control over financial reporting of Family Caregiver Alliance (internal control) to determine the audit procedures that are appropriate in the circumstances to express our opinion on the financial statements, but not to express an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of 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 internal control will not prevent, or detect and correct a material misstatement of the financial statements 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 material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of 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 we are required to report 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilson Markle Stuckey Hardesty & Bott, LLP*

**Wilson Markle Stuckey Hardesty & Bott, LLP**

Larkspur, California

May 16, 2016

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

To the Board of Directors of the **Family Caregiver Alliance**:

Report on Compliance for Each Major Federal Program

We have audited compliance by Family Caregiver Alliance 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 its major federal programs for the year ended June 30, 2015. The major federal programs of Family Caregiver Alliance are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Responsibility of Management

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

Responsibility of the Auditor

Our responsibility is to express an opinion on compliance for each of the 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 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 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, 2015.

### Report on Internal Control over Compliance

The 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 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 to express 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 to express an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 internal control over compliance will not be prevent, or detect and correct material noncompliance with a type of compliance requirement of a federal program, 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 material weaknesses. However, material weaknesses may exist that we have not 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*

**Wilson Markle Stuckey Hardesty & Bott, LLP**  
Larkspur, California  
May 16, 2016

**Family Caregiver Alliance**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2015

Section I - Summary of Audit Results

1. The audit report expresses an unmodified opinion on the financial statements of Family Caregiver Alliance.
2. The audit disclosed no instances of noncompliance material to the financial statements of Family Caregiver Alliance, which “Government Auditing Standards” would require to disclose.
3. The audit report on compliance for the major federal award programs for Family Caregiver Alliance expresses an unmodified opinion on all major federal award programs.
4. The audit disclosed no audit findings that Section 510(a) of OMB Circular A-133 requires auditors to report in this Schedule (below).
5. The program tested as a major program includes:  
    Department of Health and Human Services  
    CFDA 93.052: National Family Caregiver Support, Title III, Part E
6. The threshold to distinguish between Type A and B programs was \$300,000.
7. 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.