



Riverside Community Care, Inc.

Financial Statements and Supplemental
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Riverside Community Care, Inc.

Financial Statements and Supplemental Schedule of Expenditures of
Federal Awards
Year Ended June 30, 2017

Riverside Community Care, Inc.

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Independent Auditor's Report

To the Board of Directors
Riverside Community Care, Inc.
Dedham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Riverside Community Care, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 2017 financial statements referred to above present fairly, in all material respects, the financial position of Riverside Community Care, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of Riverside Community Care, Inc. as of and for the year ended June 30, 2016, and our report, dated November 14, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 December 18, 2017, on our consideration of Riverside Community Care, Inc.'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 Riverside Community Care, Inc.'s internal control over financial reporting and compliance.

BDO USA, LLP

December 18, 2017

Financial Statements

Riverside Community Care, Inc.

Statement of Financial Position

<i>June 30,</i>	2017	2016	2017	2016
	<i>(Comparative)</i>		<i>(Comparative)</i>	
Assets			Liabilities and Net Assets	
Current Assets:			Current Liabilities:	
Cash and cash equivalents	\$ 6,509,468	\$ 8,794,306	Accounts payable and accrued expenses	\$ 1,670,253 \$ 1,981,314
Contracts receivable, net	3,745,510	3,398,260	Accrued salaries and wages	3,216,479 5,060,998
Program service fees receivable, net	3,080,765	3,375,347	Funds held in trust for others	286,759 193,281
Other receivables	379,590	293,577	Deferred revenue	76,260 40,292
Prepaid expenses and other current assets	1,304,079	272,816	Current portion of capital lease obligations	18,950 -
Total Current Assets	15,019,412	16,134,306	Current maturities of long-term debt	372,141 370,342
Property and Equipment, net	15,637,057	15,442,750	Total Current Liabilities	5,640,842 7,646,227
Other Assets	170,143	154,885	Capital Lease Obligations, net of current portion	77,281 -
			Long-term Debt, less current maturities, net of deferred financing costs	8,451,732 8,749,818
			Other Long-term Liabilities	6,635 6,635
				8,535,648 8,756,453
			Total Liabilities	14,176,490 16,402,680
			Commitments and Contingencies	
			Net Assets:	
			Unrestricted	13,921,626 12,551,548
			Temporarily restricted	2,728,496 2,777,713
			Total Net Assets	16,650,122 15,329,261
Total Assets	\$ 30,826,612	\$ 31,731,941	Total Liabilities and Net Assets	\$ 30,826,612 \$ 31,731,941

See accompanying notes to financial statements.

Riverside Community Care, Inc.

Statement of Activities

Year ended June 30,	2017			2016 <i>(Comparative)</i>	
	Unrestricted	Temporarily Restricted	Totals	Totals	
Revenues and Other Support:					
Program service fees, net of contractual allowances	\$ 30,131,230	\$ -	\$ 30,131,230	\$ 29,959,719	
Provision for uncollectible accounts	(755,578)	-	(755,578)	(670,384)	
Net program service fees	29,375,652	-	29,375,652	29,289,335	
Contract revenue	39,686,655	-	39,686,655	38,249,454	
Municipal revenue	1,291,215	-	1,291,215	1,168,138	
Contributions	642,097	221,853	863,950	1,176,837	
Other income	2,714,401	-	2,714,401	2,483,283	
Net assets released from restrictions used in operations	271,070	(271,070)	-	-	
Total Revenues and Other Support	73,981,090	(49,217)	73,931,873	72,367,047	
Expenses:					
Salaries and wages	47,418,102	-	47,418,102	46,120,903	
Employee benefits	8,569,358	-	8,569,358	8,291,496	
Supplies and expenses	4,851,104	-	4,851,104	4,373,424	
Purchased services	3,213,064	-	3,213,064	3,491,507	
Occupancy	5,570,263	-	5,570,263	5,378,017	
Transportation	1,456,264	-	1,456,264	1,398,472	
Insurance	329,258	-	329,258	332,711	
Interest expense	423,648	-	423,648	426,071	
Depreciation and amortization	1,016,473	-	1,016,473	982,391	
Total Expenses	72,847,534	-	72,847,534	70,794,992	
Excess of Revenues and Other Support Over Expenses	1,133,556	(49,217)	1,084,339	1,572,055	
Nonoperating Gains (Losses):					
Gain (loss) on sale of property and equipment	236,522	-	236,522	(70,684)	
Change in Net Assets	1,370,078	(49,217)	1,320,861	1,501,371	
Net Assets, beginning of year	12,551,548	2,777,713	15,329,261	13,827,890	
Net Assets, end of year	\$ 13,921,626	\$ 2,728,496	\$ 16,650,122	\$ 15,329,261	

See accompanying notes to financial statements.

Riverside Community Care, Inc.

Statement of Functional Expenses

Year ended June 30,	Program Services							Support Services			2017 Total Expenses	2016 Total Expenses
	Behavioral Health Services	Integrated Services	Development & Cognitive Disabilities	Community Living Services	Child & Family Services	Special Projects	Total Program Services	General and Administrative	Fundraising	Support Service Total		
												<i>(Comparative)</i>
Salaries and wages	\$ 13,418,415	\$ 237,563	\$ 8,347,690	\$ 9,256,254	\$ 10,797,302	\$ 42,300	\$42,099,524	\$ 5,062,166	\$ 256,412	\$ 5,318,578	\$ 47,418,102	\$ 46,120,903
Employee benefits	2,276,293	46,007	1,449,783	1,747,966	2,013,035	7,914	7,540,998	978,406	49,954	1,028,360	8,569,358	8,291,496
Supplies and expenses	741,384	8,521	1,401,354	866,770	1,062,634	39,818	4,120,481	514,708	215,915	730,623	4,851,104	4,373,424
Purchased services	1,211,315	18,297	542,490	61,313	1,319,786	15	3,153,216	57,406	2,442	59,848	3,213,064	3,491,507
Occupancy	1,133,588	21,932	830,758	2,182,832	823,174	15,893	5,008,177	561,032	1,054	562,086	5,570,263	5,378,017
Transportation	183,803	-	386,392	466,937	389,406	2,061	1,428,599	27,036	629	27,665	1,456,264	1,398,472
Insurance	91,105	869	44,991	61,009	58,534	2,508	259,016	69,277	965	70,242	329,258	332,711
Interest expense	45,884	4	141,613	133,764	62,684	13,338	397,287	26,357	4	26,361	423,648	426,071
Depreciation and amortization	206,187	372	279,403	289,830	134,469	42,917	953,178	62,965	330	63,295	1,016,473	982,391
Total Expenses	\$ 19,307,974	\$ 333,565	\$ 13,424,474	\$ 15,066,675	\$ 16,661,024	\$ 166,764	\$64,960,476	\$ 7,359,353	\$ 527,705	\$ 7,887,058	\$ 72,847,534	\$ 70,794,992

See accompanying notes to financial statements.

Riverside Community Care, Inc.

Statement of Cash Flows

<i>Year ended June 30,</i>	2017	2016 <i>(Comparative)</i>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,320,861	\$ 1,501,371
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation and amortization	1,016,473	928,701
Amortization of deferred financing costs	12,207	53,690
Provision for uncollectible accounts	755,578	670,384
Imputed interest accretion	62,672	57,679
(Gain) Loss on sale of property and equipment	(236,522)	70,684
Increase (decrease) in cash resulting from a change in:		
Contracts receivable	(347,250)	(445,256)
Program service fees receivable	(460,996)	(1,056,401)
Other receivables	(86,013)	(118,608)
Prepaid expenses and other current assets	(1,031,263)	6,492
Accounts payable and accrued expenses	(311,061)	(109,922)
Accrued salaries and wages	(1,844,519)	1,059,448
Funds held in trust for others	93,478	(16,445)
Deferred revenue	35,968	13,570
Net Cash (Used in) Provided by Operating Activities	(1,020,387)	2,615,387
Cash Flows from Investing Activities:		
Purchase of property and equipment	(1,149,101)	(1,078,666)
Proceeds from sale of property and equipment	275,296	-
(Payments for) proceeds from security deposits	(15,258)	12,804
Net Cash Used in Investing Activities	(889,063)	(1,065,862)
Cash Flows from Financing Activities:		
Payments on note payable, line of credit	-	(381,000)
Principal payments on capital lease obligations	(4,222)	-
Proceeds from long-term debt	-	4,835,000
Payment of deferred financing costs	-	(119,920)
Principal payments on long-term debt	(371,166)	(4,504,555)
Net Cash Used in Financing Activities	(375,388)	(170,475)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,284,838)	1,379,050
Cash and Cash Equivalents, beginning of year	8,794,306	7,415,256
Cash and Cash Equivalents, end of year	\$ 6,509,468	\$ 8,794,306
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest	\$ 360,976	\$ 389,360
Non-Cash Transaction Related to Capital Lease Obligation	\$ 100,453	\$ -

See accompanying notes to financial statements.

Riverside Community Care, Inc.

Notes to the Financial Statements

1. Organization

Riverside Community Care, Inc. (“Riverside” or the “Organization”) is a Massachusetts based human service organization providing a full range of services to residents of the Commonwealth of Massachusetts. Services include behavioral healthcare, developmental disability and traumatic brain injury programs, substance abuse treatment, and early childhood services. Riverside is a not-for-profit corporation organized under Chapter 180 of the general laws of the Commonwealth of Massachusetts. Riverside generates revenues through contracts negotiated with various agencies of the Commonwealth of Massachusetts and, therefore, is subject to the regulations and rate formulas of the Commonwealth of Massachusetts. Revenues are also derived through contracts with U.S. government agencies and from client fees, which are paid by the client or third-party insurers.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Net assets are classified into unrestricted, temporarily restricted, and permanently restricted net assets, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified donor objectives. The classes of net assets are defined as follows:

- Unrestricted net assets include amounts not restricted for identified purposes by donors or grantors. These amounts are available to be used by the Board of Directors for the general purposes of the Organization and include amounts designated by the Board of Directors for future capital improvements and other program enhancements.
- Temporarily restricted net assets are those whose use by the Organization have been limited by donors or grantors to a specific period or purpose.
- Permanently restricted net assets are those that have been restricted by donors to be maintained in perpetuity. The Organization has no permanently restricted net assets.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

Riverside Community Care, Inc.

Notes to the Financial Statements

liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Organization determines the fair value of the financial instruments and includes this information in the notes to the financial statements when the value is materially different than the carrying value of those financial instruments.

Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents.

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about the major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to clients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay clients, the Organization records a provision for bad debts in the period of service on the basis of its past experience, which indicates that certain clients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value, if donated. Property and equipment are depreciated over their estimated useful lives, utilizing the straight line method. Leasehold improvements are amortized over the estimated useful lives of the assets or lease term, if shorter. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Expenditures for maintenance and repairs are charged to operations, as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, as follows:

<i>Assets</i>	<i>Useful Lives</i>
Building and improvements	20 - 40 years
Furnishings and equipment	5 - 10 years
Motor Vehicles	5 years

Riverside Community Care, Inc.

Notes to the Financial Statements

Impairment of Long-Lived Assets

ASC 360, "Property, Plant and Equipment," requires the Organization to review long-lived assets, such as fixed assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairments in 2017.

Deferred Financing Costs

Deferred financing costs are amortized over the term of the related loan. Amortization of these costs is provided on a straight-line basis, which approximates the effective method over the term of the related loan.

Funds Held in Trust for Others

The Organization acts as a representative payee for certain clients served by the Organization's programs. Accordingly, amounts held in trust for clients are recorded as cash and funds held in trust for others in the accompanying balance sheet.

Program Service Fees

The Organization recognizes program service revenue associated with services provided to clients who have third-party payor coverage on the basis of contractual rates for the services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Under the terms of various agreements, regulations, and statutes, certain elements of third-party reimbursements to the Organization are subject to negotiation, audit, and/or final determination by third-party payors. Retroactive adjustments are accrued on an estimated basis in the period related services are rendered and adjusted in future periods as final settlements are determined. For uninsured clients, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a portion of the Organization's uninsured clients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured clients in the period the services are provided. Payments received in advance of services are reported as deferred revenue.

Contract and Grant Revenue

The Organization derives revenues through contracts and grants received through the Commonwealth of Massachusetts Department of Mental Health, Department of Public Health, Department of Developmental Services, and the Massachusetts Rehabilitation Commission and from U.S. government agencies, various private foundations, and grantor agencies. Accordingly, the Organization is subject to the regulations and reporting requirements of the applicable governmental and grantor agencies. Contract and grant revenues are recorded in accordance with the provisions of the applicable award amounts.

Riverside Community Care, Inc.

Notes to the Financial Statements

Other Income

Other income includes miscellaneous program fees and program support service revenue.

Contributions

Contributions received, including pledges, are recorded as revenues at their fair values in the period received. Gifts of cash or other support are reported as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same operating period are presented as unrestricted support. Contributions in the form of property are recorded at the fair market value on the date the property is received.

Functional Expenses

The costs of providing the various activities of the Organization have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the activities benefited.

Tax Status

Riverside is exempt from income tax pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no provision for income taxes has been made in the accompanying financial statements. In accordance with generally accepted accounting principles, the Organization annually evaluates its tax status and tax positions taken with respect to its operations and financial position.

Reclassifications

Certain prior year balances have been reclassified to be consistent with the current year financial statement presentation.

New Accounting Pronouncements

Revenue From Contracts With Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14, which deferred the effective date for the Organization until annual periods beginning after December 15, 2017. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its combined financial statements.

Riverside Community Care, Inc.

Notes to the Financial Statements

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Organization's fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of this ASU on its combined financial statements.

Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization's financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented, although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their combined financial statements

3. Concentrations of Credit Risk

The Organization has a potential concentration of credit risk in that it occasionally maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is \$250,000, which was applied per depositor, per insured depository institution for each account ownership category. As of June 30, 2017, the Organization had no deposits in excess of FDIC limits.

Riverside Community Care, Inc.

Notes to the Financial Statements

The Organization provides the majority of its services through provider agreements with Medicare, Medicaid, and through contracts negotiated with various agencies of the Commonwealth of Massachusetts. Accordingly, these parties represent the majority of the Organization's contracts and program service fees receivable balances at June 30 as follows:

	2017	%	2016	%
Contracts Receivable, Commonwealth of Massachusetts:				
Department of Developmental Services	\$ 1,407,189	37%	\$ 1,029,590	28%
Department of Mental Health	961,538	25%	1,724,391	47%
Department of Children and Families	241,175	6%	333,463	9%
Department of Public Health	92,222	2%	46,093	1%
	2,702,124	71%	3,133,537	85%
Contracts Receivable, Other	1,083,551	29%	554,888	15%
	3,785,675	100%	3,688,425	100%
Less allowance for uncollectible accounts	40,165		290,165	
	\$ 3,745,510		\$ 3,398,260	

	2017	%	2016	%
Program Service Fees receivable:				
Commercial and other payers	\$ 2,809,226	73%	\$ 2,957,844	74%
Blue Cross Blue Shield	359,406	9%	339,810	8%
Private	288,279	8%	160,458	4%
Medicare	216,757	6%	365,719	9%
Medicaid	156,158	4%	182,598	5%
	3,829,826	100%	4,006,428	100%
Less allowance for uncollectible accounts	749,061		631,081	
	\$ 3,080,765		\$ 3,375,347	

Management monitors and adjusts its allowances for uncollectible accounts to ensure that receivables are stated at their net realizable value. Although management expects the amounts recorded as net accounts receivable at June 30, 2017, to be collectible, this concentration of credit risk is expected to continue in the near term.

The methodology and assumptions utilized by management to estimate the allowance for doubtful accounts have not significantly changed from the prior year.

Riverside Community Care, Inc.

Notes to the Financial Statements

Program service fees, net of contractual allowances and discounts (but before the provision for uncollectible accounts) recognized for the years ended June 30, 2017 and 2016, were as follows for uninsured patients and patients who have third-party coverage.

	Third-Party Payors	Self-Pay	Total All Payors
Program Service Fees, net of contractual allowances and discounts June 30, 2017	\$ 29,307,017	\$ 824,213	\$ 30,131,230
Program Service Fees, net of contractual allowances and discounts June 30, 2016	\$ 29,320,150	\$ 639,569	\$ 29,959,719

4. Property and Equipment

Major classes of property and equipment consisted of the following at June 30:

	2017	2016
Buildings and improvements	\$ 18,316,759	\$ 19,263,237
Land	4,954,282	4,960,132
Furniture and equipment	1,344,027	2,543,816
Motor vehicles	129,281	333,662
Construction-in-progress	416,623	-
	25,160,972	27,100,847
Less accumulated depreciation and amortization	9,523,915	11,658,097
	\$ 15,637,057	\$ 15,442,750

Construction-in-progress consists of several ongoing projects with varying estimated completion dates, none of which include contractual commitments at June 30, 2017.

The Organization accounts for asset retirement obligations in accordance with accounting principles generally accepted in the United States of America. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated based upon a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. Generally accepted accounting principles require that the fair value of a liability for the legal obligation associated with an asset retirement be recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. As of June 30, 2017, the Organization did not have sufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates had not been specified by others and information was not available to apply an expected value technique. Therefore, the Organization could not reasonably estimate the fair value of the liability.

Riverside Community Care, Inc.

Notes to the Financial Statements

5. Line of Credit

The Organization maintains an agreement for a \$3,000,000 revolving line of credit with a financial institution. The line is renewable on December 31, 2017. Borrowings under this agreement are due on demand, and interest is payable monthly at the bank's prime rate plus .25% (4.5% and 3.75% at June 30, 2017 and 2016, respectively). The line of credit is secured by a first priority lien on all business assets. As of June 30, 2017 and 2016, the Organization had no amounts outstanding on the line of credit. The agreement is also subject to various financial and reporting covenants.

6. Long-term Debt

Long-term debt consisted of the following at June 30:

	2017	2016
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2032 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$242,500 reduced by imputed interest discount of \$126,798.	\$ 115,702	\$ 109,745
Promissory note payable to Massachusetts Housing Partnership Fund Board, imputed interest at 4.25%, due June 2032 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$390,000 reduced by imputed interest discount of \$119,551.	207,449	198,303
Mortgage note payable to the Newton Community Development Authority in monthly installments of \$333, including interest at 3%, through April 2021. The note is secured by real estate.	13,729	17,253
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2032 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$203,658 reduced by imputed interest discount of \$103,683.	99,975	94,828
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2032 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$344,392 reduced by imputed interest discount of \$189,167.	155,225	147,833

Riverside Community Care, Inc.

Notes to the Financial Statements

Construction loan line of credit payable in monthly installments of principal and interest of \$799 at a rate of 8.07%, due in June 2027, secured by real estate. The maximum amount that may be drawn on the note is \$92,905.	\$ 62,130	\$ 66,436
First mortgage note payable to a bank in monthly installments of \$957, including interest at 6.5%, through October 2033, secured by real estate.	115,060	118,921
Promissory note payable to a bank in monthly installments of \$505, including interest amortized at 5.85% over 30 years with a balloon payment due in September 2022. The note is secured by real estate.	60,712	63,138
First mortgage note payable to a bank in monthly installments of \$1,650, including interest at 6.3%, through April 2032, secured by real estate.	188,591	196,242
First mortgage note payable to a bank in monthly installments of \$1,581, including interest at 5%, through June 2029, secured by real estate.	170,867	181,015
First mortgage note payable to a bank in monthly installments of \$2,376, including interest at 5.2%, through December 2019, when the rate is adjusted to equal the Federal Home Loan Bank 5/20 rate plus 3% to be reset at each five-year anniversary through maturity in December 2029, secured by real estate.	182,951	197,809
First mortgage note payable to a bank in monthly installments of \$1,802, including interest at 5.2%, through November 2019, when the rate is adjusted to equal the Federal Home Loan Bank 5/20 rate plus 3% to be reset at each five-year anniversary through maturity in November 2029, secured by real estate.	174,576	184,689
First mortgage note payable to a bank in monthly installments of \$3,038, including interest at 5.2%, through November 2019, when the rate is adjusted to equal the Federal Home Loan Bank 5/20 rate plus 3% to be reset at each five-year anniversary through maturity in November 2029, secured by real estate.	273,274	294,672
First mortgage note payable to a bank in monthly installments of \$3,638, including interest at 7.125%, through June 2025, secured by real estate.	301,817	323,138

Riverside Community Care, Inc.

Notes to the Financial Statements

First mortgage note payable to a bank in monthly installments of \$511, including interest at 6.25%, through July 2024, secured by real estate.	\$ 34,414	\$ 38,580
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due November 2034 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$362,637 reduced by imputed interest discount of \$207,604.	155,033	147,651
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2034 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$287,503 reduced by imputed interest discount of \$148,989.	138,514	131,918
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2054 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$195,750 reduced by imputed interest discount of \$153,241	42,509	40,776
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due June 2039 with possible extended maturity date 10 years beyond the original maturity date, secured by land. Face amount of \$358,471 reduced by imputed interest discount of \$235,928.	122,543	116,708
First mortgage note payable to the Newton Community Development Authority, with 0% stated interest rate, due November 2054.	70,300	70,300
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due January 2038. Face amount of \$351,233 reduced by imputed interest discount of \$223,613. Secured by real estate.	127,620	121,542
Promissory note payable to Community Economic Development Assistance Corporation, imputed interest at 5%, due January 2038. Face amount of \$452,765 reduced by imputed interest discount of \$308,910. Secured by real estate.	143,855	136,449

Riverside Community Care, Inc.

Notes to the Financial Statements

First mortgage note payable to a bank in monthly principal installments of \$8,389 plus interest at a rate of 4.2%, through March 2021, when the remaining balance is due in full. The note is secured by real estate.	\$ 1,082,181	\$ 1,182,849
First mortgage note payable to a bank in monthly installments of \$1,728, including interest at a rate of 5%, through March 2028, when the remaining balance is due in full. The note is secured by real estate.	170,669	182,426
Massachusetts Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds Series 2016A payable in monthly installments of \$24,859, including variable interest at a rate of 3.7% at June 30, 2017, maturing December 2040, collateralized by real estate.	4,644,336	4,766,087
Massachusetts Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds Series 2016B, fixed interest rate of 2.89%, maturing December 2040, monthly principal and interest payments of \$3,296, collateralized by real estate.	197,850	231,068
	9,051,882	9,360,376
Less current portion	372,141	370,342
Less deferred financing costs	228,009	240,216
	\$ 8,451,732	\$ 8,749,818

Future maturities of long-term debt are as follows:

Years ending June 30,

2018		\$ 372,141
2019		392,909
2020		405,156
2021		1,097,471
2022		328,893
Thereafter		6,455,312
		\$ 9,051,882

Pursuant to its long-term debt agreements, the Organization is required to maintain certain financial and other covenants, which management believes will not restrict the nature of the Organization's business or operations.

Riverside Community Care, Inc.

Notes to the Financial Statements

7. Capital Lease Obligations

Assets held under capital lease consisted of the following at June 30:

	2017	2016
Leased equipment	\$ 100,453	\$ -
Less accumulated amortization	4,222	-
	\$ 96,231	\$ -

Amortization expense relating to leased equipment included in depreciation and amortization expense for the years ended June 30, 2017 and 2016, amounted to \$4,222 and \$-0- respectively.

The following is a schedule, by year, of the future minimum lease payments under the capital lease obligations and the net present value of the future minimum lease payments:

June 30,

2018	\$	23,935
2019		23,935
2020		23,935
2021		23,935
2022		19,946
Total minimum lease payments		115,686
Less amounts representing interest		19,455
Net present value of future minimum lease payments		96,231
Less current portion		18,950
	\$	77,281

8. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 were available to be used for the following:

	2017	2016
Real property utilization	\$ 1,930,205	\$ 1,992,877
Program services	625,760	627,951
Newton affordable housing	80,000	80,000
Trauma / Suicide prevention	67,862	39,102
Medical records system	21,599	21,599
Event sponsorship	2,500	5,000
Program support	570	1,184
Capacity development	-	10,000
	\$ 2,728,496	\$ 2,777,713

Riverside Community Care, Inc.

Notes to the Financial Statements

Net assets released from restriction were released for the following purposes for the years ended June 30:

	2017	2016
Program services	\$ 195,898	\$ 170,185
Real property utilization	62,672	57,679
Capacity development	10,000	4,000
Event sponsorship	2,500	2,500
	\$ 271,070	\$ 234,364

9. Retirement Plan

Riverside maintains a 403(b) defined contribution retirement plan under which all employees are eligible to participate upon hire. During 2017 and 2016, no contributions were made to the plan by the Organization.

10. Surplus Revenue Retention

The Operational Services Division of the Commonwealth of Massachusetts (the "Commonwealth") has promulgated regulations requiring that all not-for-profit entities engaged in the provision of health and social service programs by contract with state agencies be subject to a revenue retention policy. For years ended June 30, 2015 and prior, any surplus generated from contracts with the Commonwealth which exceeded 5% of the current year's Commonwealth revenues, or cumulative surplus which exceeded 20% of prior year Commonwealth revenues, were subject to negotiated use or potential recoupment. Additionally, the Commonwealth required that providers take steps to segregate state attributed surpluses which fall below 5% as a segregated account, which is presented in unrestricted net assets. For the year ended June 30, 2016, the Commonwealth amended the revenue retention policy to remove the 5% current year surplus threshold and 20% cumulative surplus threshold. Under the amended regulation, any annual surplus generated from contracts with the Commonwealth which exceeds 20% will be subject to potential recoupment.

As of June 30, 2017, the Organization is not subject to any recoupment under the provisions of the Commonwealth's regulations.

11. Operating Leases

The Organization leases building space for program and administrative purposes under various operating leases expiring through 2031. Monthly payments range from \$657 to \$33,229. Rent expense totaled \$3,552,426 and \$3,296,856 for the years ended June 30, 2017 and 2016, respectively.

Riverside Community Care, Inc.

Notes to the Financial Statements

The following is a schedule of future minimum rental payments under non-cancelable lease agreements which have remaining terms in excess of one year:

June 30,

2018	\$ 1,819,141
2019	1,439,584
2020	1,354,498
2021	1,204,868
2022	952,985
	<hr/>
	\$ 6,771,076

12. Commitments and Contingencies

On September 30, 2013, the Organization entered into a contract for the purchase and implementation of an electronic health record ("EHR") system. The total cost of the EHR is based on increasing users over a seven-year term at an agreed upon rate per user, per month. The contract calls for total payments of approximately \$1,320,000 to be made over the seven-year term. As of June 30, 2017, the Organization has made payments totaling approximately \$744,000. The remaining commitment was \$576,000 as of June 30, 2017.

The human service industry is subject to numerous laws and regulations of federal, state, and local governments. Government activity is ongoing with respect to investigations and allegations concerning possible violations by providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for program services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time. Management believes that the Organization is in substantial compliance with current laws and regulations.

Claims and legal actions are brought against the Organization during the normal course of business. Management has taken the necessary steps to mitigate potential losses by obtaining insurance coverage and engaging legal counsel. In the opinion of management, no claims or legal actions have been asserted against the Organization which, individually or in the aggregate, will be in excess of its insurance coverage.

13. Subsequent Events

The Organization has evaluated subsequent events through December 18, 2017, which is the date the financial statements were available for issuance.

Riverside Community Care, Inc.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
Early Head Start	93.600	N/A	\$ -	\$ 1,264,558
Passed through the Trustees of Boston University				
NIH/National Institute of Mental Health - Mental Health Research Grant	93.242	4500001809		61,080
Passed through the Commonwealth of Massachusetts				
Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958	4000-9401	-	684,717
Department of Public Health:				
Block Grant for Prevention and Treatment of Substance Abuse	93.959	4512-9069	-	138
Maternal and Child Health Services Block Grant to the States	93.994	4500-2000	-	102,278
Total U.S. Department of Health and Human Services				2,112,771
U.S. Department of Justice:				
Passed through the Commonwealth of Massachusetts				
Office for Victim Assistance:				
Crime Victim Assistance	16.575	0840-0110	-	92,639
Antiterrorism Emergency Reserve	16.321	0840-0114	-	7,559
Total U.S. Department of Justice				100,198
U.S. Department of Education:				
Passed through the Commonwealth of Massachusetts				
Department of Public Health:				
Special Education-Grants for Infants and Families	84.181	4513-9021	-	110,770
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	4120-0020	-	54,379
Total U.S. Department of Education				165,149
U.S. Department of Housing and Urban Development:				
Passed through the City of Somerville				
Community Development Block Grants/Entitlement Grants	14.218	OSPCD	-	4,500
U.S. Department of Agriculture:				
Passed through the Commonwealth of Massachusetts				
Department of Education:				
Child and Adult Care Food Program	10.558	7053-2117	-	1,188
Total Expenditures of Federal Awards				\$ - \$ 2,383,806

The accompanying notes are an integral part of this schedule.

Riverside Community Care, Inc.

Notes to the Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Riverside Community Care, Inc. under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Riverside Community Care, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Riverside Community Care, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

3. Indirect Cost Rate

Riverside Community Care, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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*

To the Board of Trustees
Riverside Community Care, Inc.
Dedham, Massachusetts

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 Riverside Community Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverside Community Care, Inc.'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 Riverside Community Care, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Riverside Community Care, Inc.'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 Riverside Community Care, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

December 18, 2017



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Riverside Community Care, Inc.
Dedham, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited Riverside Community Care, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverside Community Care, Inc.'s major federal programs for the year ended June 30, 2017. Riverside Community Care, Inc.'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Riverside Community Care, Inc.'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance 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 Riverside Community Care, Inc.'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 Riverside Community Care, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Riverside Community Care, Inc. 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, 2017.

Report on Internal Control over Compliance

Management of Riverside Community Care, Inc. 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 Riverside Community Care, Inc.'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 the Uniform Guidance, 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 Riverside Community Care, Inc.'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

December 18, 2017

Riverside Community Care, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

<u>CFDA #</u>	<u>Name of Federal Program</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Riverside Community Care, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Section II - Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.