

Return of Organization Exempt From Income Tax

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

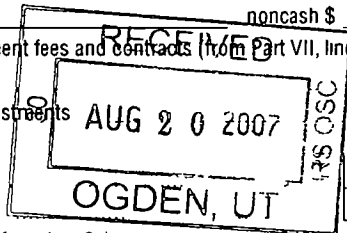
The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning OCT 1, 2005 **and ending** SEP 30, 2006

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization COMMONWEALTH CARE ALLIANCE, INC.		D Employer identification number 04-3756900
		Number and street (or P O box if mail is not delivered to street address) Room/suite 30 WINTER ST., 11TH FL		E Telephone number (617) 426-0600
		City or town, state or country, and ZIP + 4 BOSTON, MA 02108		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)
		Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)		
G Website: WWW.COMMONWEALTHCARE.ORG		H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) If "Yes," enter number of affiliates <u>N/A</u> H(c) Are all affiliates included? <u>N/A</u> <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list) H(d) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I Group Exemption Number <u>N/A</u>		
J Organization type (check only one) <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		M Check <input type="checkbox"/> if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)		
K Check here <input type="checkbox"/> if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.		L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 <u>24,748,480.</u>		

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a		
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		0.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		24,500,868.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		157,237.
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less rental expenses	6b		
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		8a			
		8b			
		8c			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
		b	Less cost of goods sold	10b	
		c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
11	Other revenue (from Part VII, line 103)	11		90,375.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		24,748,480.	
Expenses	13	Program services (from line 44, column (B))	13		17,997,269.
	14	Management and general (from line 44, column (C))	14		4,845,097.
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17		22,842,366.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,906,114.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,776,376.
	20	Other changes in net assets or fund balances (attach explanation)	20		0.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		3,682,490.



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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc. * *	341,483.	0.	341,483.	0.
26 Other salaries and wages	906,901.		906,901.	
27 Pension plan contributions	9,980.		9,980.	
28 Other employee benefits	67,420.		67,420.	
29 Payroll taxes	78,579.		78,579.	
30 Professional fundraising fees				
31 Accounting fees	50,240.		50,240.	
32 Legal fees	55,507.		55,507.	
33 Supplies				
34 Telephone	33,708.		33,708.	
35 Postage and shipping	7,911.		7,911.	
36 Occupancy	76,668.		76,668.	
37 Equipment rental and maintenance				
38 Printing and publications	25,808.		25,808.	
39 Travel	22,985.		22,985.	
40 Conferences, conventions, and meetings				
41 Interest	24,024.		24,024.	
42 Depreciation, depletion, etc. (attach schedule)	174,314.		174,314.	
43 Other expenses not covered above (itemize):				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
f _____	43f			
g SEE STATEMENT 1	43g	20,966,838.	17,997,269.	2,969,569.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	22,842,366.	17,997,269.	4,845,097.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A; (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 2

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 4	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	
a SEE STATEMENT 3	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	17,997,269.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	17,997,269.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	147,090.	45	7,361,134.
	46	Savings and temporary cash investments	3,338,313.	46	2,131,784.
	47 a	Accounts receivable	47a 1,192,344.		
	b	Less: allowance for doubtful accounts	47b	544,370.	47c 1,192,344.
	48 a	Pledges receivable	48a		48c
	b	Less: allowance for doubtful accounts	48b		48c
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees		50	
	51 a	Other notes and loans receivable	51a 1,504.		
	b	Less: allowance for doubtful accounts	51b 1,504.		51c
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		136,737.	53 61,105.
	54	Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	Liabilities	55 a	Investments - land, buildings, and equipment, basis	55a	
b		Less: accumulated depreciation	55b		55c
56		Investments - other		56	
57 a		Land, buildings, and equipment basis	57a 413,901.		
b		Less: accumulated depreciation STMT 5	57b 228,956.	330,280.	57c 184,945.
58		Other assets (describe <input type="checkbox"/> SEE STATEMENT 6)		148,760.	58 357,474.
59		Total assets (must equal line 74). Add lines 45 through 58		4,645,550.	59 11,288,786.
60		Accounts payable and accrued expenses		2,045,556.	60 5,410,822.
61		Grants payable		61	
62		Deferred revenue		568,438.	62 900,886.
Net Assets or Fund Balances	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
	b	Mortgages and other notes payable STMT 7		100,000.	64b 912,790.
	65	Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 8)		155,180.	65 381,798.
	66	Total liabilities. Add lines 60 through 65)		2,869,174.	66 7,606,296.
	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		1,776,376.	67 3,682,490.
68	Temporarily restricted		68		
69	Permanently restricted		69		
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
70	Capital stock, trust principal, or current funds		70		
71	Paid-in or capital surplus, or land, building, and equipment fund		71		
72	Retained earnings, endowment, accumulated income, or other funds		72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		1,776,376.	73 3,682,490.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		4,645,550.	74 11,288,786.	

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

- 75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?
Note. Related organizations include section 509(a)(3) supporting organizations
If 'Yes,' attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization
d Does the organization have a written conflict of interest policy?

Table with 3 columns: Question ID, Yes, No. Rows 75b, 75c, 75d.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 contains 'NONE'.

Part VI Other Information (See the instructions.)

Yes No

- 76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
b If 'Yes,' has it filed a tax return on Form 990-T for this year? N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
b If 'Yes,' enter the name of the organization SEE STATEMENT 10 and check whether it is [] exempt or [] nonexempt
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.
b Did the organization file Form 1120-POL for this year?

Table with 3 columns: Question ID, Yes, No. Rows 76, 77, 78a, 78b, 79, 80a, 80b, 81a, 81b.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed ▶ MA		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	9
91 a	The books are in care of ▶ ROBERT FALLON, CFO Telephone no ▶ (617) 426-0600 Located at ▶ 30 WINTER STREET, 11TH FLOOR, BOSTON, MA ZIP + 4 ▶ 02108		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ N/A	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <u>CAPITATION REVENUE</u>					23,419,344.
b <u>SERVICES REVENUE</u>					1,081,524.
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	157,237.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a <u>OTHER INCOME</u>					90,375.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		157,237.	24,591,243.
105 Total (add line 104, columns (B), (D), and (E))					24,748,480.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated

(a) Did the organization, during the year, receive any funds, directly or indirectly,

(b) Did the organization, during the year, pay premiums, directly or indirectly, on

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information provided to the preparer.

Signature of officer: *[Signature]* Date: *[Date]*

Paid Preparer's Use Only

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed), address, and ZIP + 4:
 RSM MCGLADREY, INC.
 7 NEW ENGLAND EXECUTIVE
 BURLINGTON, MA 01803-34

523163 02-03-06

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization: **COMMONWEALTH CARE ALLIANCE, INC.** Employer identification number: **04 3756900**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JANET LEVINSON C/O 30 WINTER STREET, 11TH FLOOR, BOS	DIR PROG DEV 40.00	99,750.	16,937.	
JAMES STONE C/O 30 WINTER STREET, 11TH FLOOR, BOS	PROVIDER NETWORK MGR 40.00	71,500.	5,514.	
NANCY ROACH C/O 30 WINTER STREET, 11TH FLOOR, BOS	DIR. OPERATIONS 40.00	85,995.	7,705.	
KARA CURTIS C/O 30 WINTER STREET, 11TH FLOOR, BOS	DIR. REG. AFFAIRS 40.00	95,000.	1,361.	
PORTIA ELEY C/O 30 WINTER STREET, 11TH FLOOR, BOS	OPERATIONS MGR. 40.00	68,000.	9,150.	
Total number of other employees paid over \$50,000 ▶	7			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SMITH & RAUSCHENBACH C/O 30 WINTER STREET, 11TH FLOOR, BOSTON, MA 0210	GOVERNMENT RELATIONS	60,000.

Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \blacktriangleright \$ _____ \$ <u>60,000.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities VI-B, LINE I	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit? SEE STATEMENT 12	X	
c	Furnishing of goods, services, or facilities? SEE STATEMENT 13	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT 14	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b	Do you have a section 403(b) annuity plan for your employees?		X
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** \blacktriangleright _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization \blacktriangleright Type 1 Type 2 Type 3

Provide the following information about the supported organizations (See page 6 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,804.	1,590,412.	70,000.		1,663,216.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	10,664,772.	2,598,894.	104,688.		13,368,354.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	32,011.	4,767.			36,778.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	64,000.	15,700.	SEE STATEMENT 15		79,700.
23 Total of lines 15 through 22	10,763,587.	4,209,773.	174,688.	0.	15,148,048.
24 Line 23 minus line 17	98,815.	1,610,879.	70,000.		1,779,694.
25 Enter 1% of line 23	107,636.	42,098.	1,747.		
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12:					
a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2004) 0. (2003) 0. (2002) 0. (2001) 0.					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) 0. (2003) 0. (2002) 0. (2001) 0.					
c Add: Amounts from column (e) for lines 15 <u>1,663,216.</u> 16 _____ 17 <u>13,368,354.</u> 20 _____ 21 _____					27c 15,031,570.
d Add: Line 27a total <u>0.</u> and line 27b total <u>0.</u>					27d 0.
e Public support (line 27c total minus line 27d total)					27e 15,031,570.
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f 15,148,048.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.2311%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .2428%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		0.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		0.
38 Total lobbying expenditures (add lines 36 and 37)	38		0.
39 Other exempt purpose expenditures	39		0.
40 Total exempt purpose expenditures (add lines 38 and 39)	40		0.
41 Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
41			0.
42 Grassroots nontaxable amount (enter 25% of line 41)	42		0.
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		0.
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		0.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		60,000.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			60,000.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	MACHINERY & EQUIPMENT											
1	EQUIPMENT WELLOGIC SYSTEM	101003	SL	5.00	16	77,559.			77,559.	17,372.		21,815.
2	IMPLEMENTATION	060104	SL	3.00	16	319,500.			319,500.	34,055.		144,730.
3	IMPLEMENTATION	060104	SL	3.00	16	4,500.			4,500.	625.		3,875.
4	FURNISHINGS	100104	SL	5.00	16	12,342.			12,342.	2,590.		3,894.
	* 990 PAGE 2 TOTAL MACHINERY & EQUIPMENT					413,901.		0.	413,901.	54,642.	0.	174,314.
	* GRAND TOTAL 990 PAGE 2 DEPR					413,901.		0.	413,901.	54,642.	0.	174,314.

FORM 990

OTHER EXPENSES

STATEMENT 1

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
OTHER PROFESSIONAL FEES	172,131.		172,131.	
MEDICAL EXPENSES	17,900,262.	17,900,262.		
OFFICE EXPENSES	23,386.		23,386.	
INSURANCE	146,053.	97,007.	49,046.	
CARE MANAGEMENT SERVICES	940,456.		940,456.	
MISCELLANEOUS	100,965.		100,965.	
CLAIMS ADJUDICATION INFORMATION SERVICES FEES	827,511.		827,511.	
AMORTIZATION EXPENSE	824,816.		824,816.	
BAD DEBT	28,000.		28,000.	
	3,258.		3,258.	
TOTAL TO FM 990, LN 43	20,966,838.	17,997,269.	2,969,569.	

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 2

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
LOIS SIMON	165,048.	17,001.		182,049.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	165,048.	17,001.		182,049.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
ROBERT MASTER	158,493.	941.		159,434.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	158,493.	941.		159,434.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES

TOTAL MANAGEMENT AND GENERAL

341,483.

TOTAL FUNDRAISING

TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B

341,483.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	3
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DESCRIPTION OF PROGRAM SERVICE ONE

A CONSUMER GOVERNED NOT-FOR-PROFIT CARE DELIVERY SYSTEM COMMITTED TO THE PROVISION OF INTEGRATED HEALTH CARE AND RELATED SUPPORT SERVICES FOR INDIVIDUALS OF ALL AGES WITH SPECIAL HEALTH CARE NEEDS. CCA CURRENTLY CONTRACTS WITH EIGHT COMMUNITY-BASED PRIMARY HEALTHCARE PRACTICES THAT HAVE DEMONSTRATED EXPERIENCES SERVING ELDERLY AND OTHER INDIVIDUALS WITH DISABILITIES IN A MANAGED FRAMEWORK. THESE PRIMARY CARE SITES INCLUDE: BOSTON UNIVERSITY GERIATRIC SERVICES, BOSTON'S COMMUNITY MEDICAL GROUP, BRIGHTWOOD HEALTH CENTER, EAST BOSTON NEIGHBORHOOD HEALTH CENTER, ELDER SERVICE PLAN OF THE NORTH SHORE, HARBOR HEALTH SERVICES, INC., UPHAMS CORNER HEALTH CENTER, AND URBAN MEDICAL GROUP. CCA IS ONE OF THREE SENIOR CARE OPTION PROGRAMS, OR "SCO" ORGANIZATIONS IN THE COMMONWEALTH: THE SCO PROGRAM IS A COMPREHENSIVE CAPITATED HEALTH PLAN THAT COVERS ALL THE SERVICES REIMBURSABLE UNDER DELIVERY SYSTEM AND ITS PREFERRED NETWORK OF PROVIDERS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		17,997,269.

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	4
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EXPLANATION

TO ORGANIZE, MANAGE, ADMINISTER AND PROVIDE INTEGRATED SYSTEMS OF COMMUNITY-BASED HEALTH CARE AND RELATED SERVICES TO SENIORS, AND OTHER DISABLED AND CHRONICALLY ILL POPULATIONS.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	5
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
EQUIPMENT	77,559.	39,187.	38,372.
WELLOGIC SYSTEM IMPLEMENTATION	319,500.	178,785.	140,715.
IMPLEMENTATION	4,500.	4,500.	0.
FURNISHINGS	12,342.	6,484.	5,858.
TOTAL TO FORM 990, PART IV, LN 57	413,901.	228,956.	184,945.

FORM 990	OTHER ASSETS	STATEMENT	6
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DESCRIPTION	AMOUNT
DUE FROM AFFILIATES	302,582.
BOND DEPOSIT	7,500.
COMPLETE PAYROLL PAYMENT	725.
PRE PAID PERFORM BOND LT	46,667.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	357,474.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 7

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
----------------------	--	---------------------------	--

STEPHEN ROSENFELD		MONTHLY	
-------------------	--	---------	--

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
VARIOUS	04/15/08	0.	9.00%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
--------------------------------------	------------------------

BUSINESS ASSETS

RELATIONSHIP OF LENDER

RELATED

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
CASH	0.	100,000.

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
----------------------	--	---------------------------	--

STEPHEN ROSENFELD		MONTHLY	
-------------------	--	---------	--

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
VARIOUS	12/01/09	0.	9.00%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
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BUSINESS ASSETS

RELATIONSHIP OF LENDER

RELATED

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
	0.	200,000.

LENDER'S NAME		TERMS OF REPAYMENT	
EAST BOSTON			
DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
VARIOUS	VARIOUS	0.	.00%
SECURITY PROVIDED BY BORROWER		PURPOSE OF LOAN	

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	612,790.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		912,790.

FORM 990	OTHER LIABILITIES	STATEMENT	8
DESCRIPTION		AMOUNT	
ESTIMATED PREMIUM OVERPAYMENT		381,798.	
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		381,798.	

FORM 990

PART V-A - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ROBERT MASTER 30 WINTER STREET BOSTON, MA 02108	PRESIDENT/CEO 40.00	158,493.	941.	0.
LISA IEZZONI 330 BROOKLINE AVENUE BOSTON, MA 02115	DIRECTOR 5.00	0.	0.	0.
LOIS SIMON SAULS 41 CAMERON AVENUE WEST SOMERVILLE, MA 02144	COO 40.00	165,048.	17,001.	0.
ROBERT RESTUCCIA 30 WINTER STREET BOSTON, MA 02108	CHAIR 5.00	0.	0.	0.
SUSAN EPSTEIN 101 TREMONT STREET, SUITE 812 BOSTON, MA 02108	DIRECTOR 5.00	0.	0.	0.
SERGIO GONCALVES 100 MORRISSEY BOULEVARD BOSTON, MA 02125-3393	DIRECTOR 5.00	0.	0.	0.
MARK REYNOLDS 23 ST. JOHN STREET JAMAICA PLAIN, MA 02130	DIRECTOR 5.00	0.	0.	0.
JEFF SCAVRON 380 PLAINFIELD STREET SPRINGFIELD, MA 01107	DIRECTOR 5.00	0.	0.	0.
DEAN RICHLIN 155 SEAPORT BOULEVARD BOSTON, MA 02210-2600	DIRECTOR 5.00	0.	0.	0.
ZITA JACKSON 23 FLOYD STREET DORCHESTER, MA 02124	DIRECTOR 5.00	0.	0.	0.
THOMAS LYNCH 981 WORCESTER STREET WELLESLEY, MA 02482	DIRECTOR 5.00	0.	0.	0.

ROBERT FALLON
148 STATE STREET
BOSTON, MA 02109

TREASURER/CFO
5.00

0. 0. 0.

TOTALS INCLUDED ON FORM 990, PART V-A

323,541. 17,942. 0.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 10
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
COMMONWEALTH CLINICAL ALLIANCE, INC.	X	
BOSTON'S COMMUNITY MEDICAL GROUP, INC.	X	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 11
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	CAPITATION REVENUE IS EARNED BY THE ORGANIZATION FOR MANAGING HEALTH CARE FOR ITS MEMBERS.
93B	SERVICES REVENUE IS EARNED IN RETURN FOR PROVIDING SPECIFIED CARE MANAGEMENT SERVICES.
103A	OTHER INCOME RECEIVED RELATED TO ORGANIZATION'S EXEMPT PURPOSES.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2B

STATEMENT 12

THE PRESIDENT AND CEO OF CCA IS ALSO A DIRECTOR OF CHG AND BCMG.
NOTES PAYABLE TOTALING \$300,000 AND \$100,000 WERE DUE TO BOARD MEMBERS
AT SEPTEMBER 30, 2006 AND 2005 RESPECTIVELY.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2C

STATEMENT 13

THE TREASURER OF CCA'S BOARD IS CCA'S CFO AND ALSO A MANAGER AT A CONSULTING FIRM THAT PROVIDES THE ORGANIZATION WITH GENERAL FINANCIAL MANAGEMENT AND THIRD PARTY ADMINISTRATION SERVICES. FEES TOTALING \$814,220 WERE INCURRED FOR THESE SERVICES DURING THE YEAR END SEPTEMBER 30, 2006. ONE BOARD MEMBER IS ALSO A PARTNER AT A LAW FIRM, WHICH PERFORMED LEGAL SERVICES FOR CCA. LEGAL FEES RELATED TO SERVICES PERFORMED BY THIS LAW FIRM TOTALED \$30,000 AND \$35,000 DURING THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005, RESPECTIVELY. THE AMOUNT OUTSTANDING TO THIS FIRM TOTALED \$2,500 AT SEPTEMBER 30, 2006. CCA HAS A SUB-LEASE WITH AN ORGANIZATION THAT IS RELATED THROUGH A COMMON BOARD MEMBER. TOTAL LEASE PAYMENTS OF \$76,667 AND \$68,869 WERE PAID TO THIS ORGANIZATION DURING THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005, RESPECTIVELY. IN ADDITION, THIS ORGANIZATION WAS UTILIZED FOR CONSULTING SERVICES. CONSULTING FEES RELATED TO THE SERVICES PERFORMED BY THIS COMPANY TOTALED \$17,150 AND \$64,023 DURING THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005, RESPECTIVELY.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2D

STATEMENT 14

HEALTH LAW ADVOCATES (HLA), BOSTON CENTER FOR INDEPENDENT LIVING (BCIL) AND HEALTH CARE FOR ALL (HCFA) ARE THE CORPORATE MEMBERS OF CCA AND ARE RELATED THROUGH COMMON BOARD MEMBERS. CCA MADE DONATIONS OF \$2,500 TO BCIL, \$5,000 TO HLA AND \$5,000 TO HCFA DURING EACH OF THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005.

SCHEDULE A

OTHER INCOME

STATEMENT 15

DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
OTHER	64,000.	15,700.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	64,000.	15,700.	0.	0.

4562

Form (Rev. January 2006) Department of the Treasury Internal Revenue Service Name(s) shown on return

Depreciation and Amortization 990 (Including Information on Listed Property)

See separate instructions. Attach to your tax return.

OMB No 1545-0172

2005

Attachment Sequence No 67

COMMONWEALTH CARE ALLIANCE, INC.

FORM 990 PAGE 2

Identifying number 04-3756900

Part I Election To Expense Certain Property Under Section 179 Note If you have any listed property, complete Part V before you complete Part I.

Table with 13 rows for Section 179 election. Line 1: 105,000. Line 3: 420,000. Line 13: 13.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

Table with 3 rows for Special Depreciation Allowance. Line 16: 174,314.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Line 17: 17. Line 18: 18.

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-g, h, i.

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 20a, b, c.

Part IV Summary (see instructions)

Table with 3 rows for Summary. Line 22: 174,314. Line 23: 23.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No					24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use							25		
26 Property used more than 50% in a qualified business use:									
		%							
		%							
		%							
27 Property used 50% or less in a qualified business use									
		%				S/L -			
		%				S/L -			
		%				S/L -			
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners			
39 Do you treat all use of vehicles by employees as personal use?			
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
41 Do you meet the requirements concerning qualified automobile demonstration use? Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.			

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year:					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I **Automatic 3-Month Extension of Time** - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6 month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization COMMONWEALTH CARE ALLIANCE, INC.	Employer identification number 04-3756900
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 30 WINTER ST., 9TH FL	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BOSTON, MA 02108	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **LOIS SIMON SAULS**
 Telephone No ▶ **617-750-9042** FAX No ▶ _____
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **MAY 15, 2007** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **OCT 1, 2005**, and ending **SEP 30, 2006**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print. File by the extended due date for filing the return. See instructions	Name of Exempt Organization COMMONWEALTH CARE ALLIANCE, INC.	Employer identification number 04-3756900
	Number, street, and room or suite no. If a P.O. box, see instructions. 30 WINTER ST., 9TH FL	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions BOSTON, MA 02108	

Check type of return to be filed (File a separate application for each return)

Form 990
 Form 990-EZ
 Form 990-T (sec 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **▶ LOIS SIMON SAULS**
Telephone No **▶ 617-750-9042** FAX No. **▶**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box . If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **AUGUST 15, 2007**

5 For calendar year _____, or other tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶ [Signature]** Title **▶ DIRECTOR** Date **▶ 5/11/07**

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name RSM MCGLADREY, INC.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 7 NEW ENGLAND EXECUTIVE PARK, SUITE 320
	City or town, province or state, and country (including postal or ZIP code) BURLINGTON, MA 01803-3485

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05-01-05