# UNITED
# COMMUNITY & FAMILY
# SERVICES

**TOWN OF WATERFORD**
**15 Rope Ferry Road**
**Waterford, CT 06385**
**860-442-0553**

## SOCIAL SERVICES GRANT FUNDING REQUEST

**ORGANIZATION NAME:** United Community & Family Services

**REQUEST DATE (FISCAL YEAR):** FY2024

**REQUESTED AMOUNT:** $8,000

**BENEFIT STATEMENT (Describe how these funds will be used)**

Many of the people that UCFS serves have nowhere else to turn for the essential professional healthcare they need and deserve. UCFS provides services regardless of ability to pay, accepts all insurance types, including Medicaid and Medicare, and provides an income-based sliding fee scale for low income uninsured and underinsured clients. This amount will be used to offset the costs of our healtcare programs in the following ways: $2,000 for Dental Services $2,000 for Primary Care Medical Services, $1,000 for Women's Health Services, and $3,000 for Behavioral Health Services.

Per Town of Waterford Budget Guidelines: please attach a certified audit report of all funds appropriated during the last completed fiscal year to your funding request.

**DECLARATION**

I, the requester, understand that I am requesting public funds from the Town of Waterford. I declare that this request does not pose any potential conflict with the Town of Waterford and I will provide any documentation requested by the Town of Waterford to authorize funding this request or review the appropriateness of the request.

Jennifer Granger
Signature

12/14/2022
Date

UCFS Healthcare

Healthcare that begins with you

34 East Town Street
Norwich, Connecticut 06360-3509

telephone (860) 889-2375
fax (860) 889-3450
www.ucfs.org

December 14, 2022

Board of Selectmen
Town of Waterford
15 Rope Ferry Road
Waterford, CT 06385

Dear Board of Selectmen:

On behalf of Waterford residents in need, United Community and Family Services, Inc. (UCFS) is requesting that the Town of Waterford include $8,000 in its FY 2023-2024 budget to help subsidize the services we will provide to Waterford residents.

During the fiscal year ending June 30, 2022, UCFS provided dental, medical, and behavioral health to **235 unduplicated Waterford residents at a total cost of $397,343**. UCFS provided:

- 126 dental visits to 59 Waterford residents at a cost of $34,289
- 259 primary care medical visits to 112 Waterford residents at a cost of $68,902
- 17 Women's Health visits to 11 Waterford residents at a cost of $3,247
- 1,829 behavioral health visits to 103 Waterford residents at a cost of $282,084
- 82 adult day center visits to 2 Waterford residents at a cost of $8,821

Based on conservative growth projections, we anticipate the cost to provide services to Waterford residents to be approximately $409,263 for the fiscal year ending June 30, 2024.

On average, the amount of uncompensated care provided to our clients is 10% of our total costs to provide these services. Annually we request the cities and towns we serve to assist us in paying for uncompensated care provided to their residents. For the fiscal year ending June 30, 2024, Waterford residents' amount is projected to be $40,926. At this time, **we are limiting our request to $8,000**. This amount will be used to subsidize the cost of providing services to the uninsured/underinsured from Waterford.
:

- $2,000 for Dental Services
- $2,000 for Primary Care Medical Services
- $1,000 for Women's Health Services
- $3,000 for Behavioral Health Services

Many of the people that UCFS serves have nowhere else to turn for the essential professional care they need and deserve. UCFS provides services regardless of ability to pay, accepts all insurance types, including Medicaid and Medicare, and provides an income-based sliding fee scale for low-income uninsured and underinsured clients. UCFS was **awarded $269,677 from the United Way** for FY 2022, which represents **<1%** of the total agency budget.

UCFS employees **371 staff** for a total preliminary FY2024 budget amount of **$30,737,710** inclusive of benefits.

To support our request, you will find the following:

- List of municipalities who support UCFS and the amount of funding they provide
- FY24 (preliminary)
- FY23 Year to date Actual as compared to budget
- FY21 Audit Report
- FY22 Annual Report

Please note that our proposed FY24 budget is only a rough estimate at this stage since the budget will not be completed until June 2023.

Waterford's continued support is critical to ensuring that care is available to Waterford residents who would otherwise be unable to afford its full cost. With Waterford as an ongoing partner, UCFS will continue to make a positive impact on the lives of your residents in need.

If you require any additional information, please feel free to contact me at (860) 822-4143. Thank you for your past support and your consideration of this request.

Sincerely,

Jennifer Granger
President & CEO

## Services Provided to Waterford Residents During FY 2022
## Detail of FY24 Funding Request

### Dental Program:

126 patient visits
Subsidy Requested: $2,000

### Medical Program:

259 patient visits
Subsidy Requested: $2,000

### Women's Health Program:

17 patient visits
Subsidy Requested: $1,000

### Behavioral Health Services:

1,829 sessions of direct professional care
Subsidy Requested: $3,000

United Way

# United Community & Family Services, Inc.

## Financial Statements and Independent Auditor's Report

## June 30, 2021 and 2020

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## United Community & Family Services, Inc.

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# Independent Auditor's Report

To the Board of Directors
United Community & Family Services, Inc.

## Report on the Financial Statements

We have audited the accompanying financial statements of United Community & Family Services, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 financial statements referred to above present fairly, in all material respects, the financial position of United Community & Family Services, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 22, 2021, on our consideration of United Community & Family Services, 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 solely 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 the effectiveness of United Community & Family Services, Inc.'s 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 United Community & Family Services, Inc.'s internal control over financial reporting and compliance.

CohnReznick LLP

Hartford, Connecticut
December 22, 2021

**United Community & Family Services, Inc.**

**Statements of Financial Position**
**June 30, 2021 and 2020**

Assets

| | 2021 | 2020 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 4,044,435 | $ 5,657,283 |
| Patient services receivable, net | 1,848,231 | 1,363,554 |
| United Way contribution receivable | 333,910 | 334,058 |
| Investments - Board designated for capital | 493,326 | 672,634 |
| Grants receivable | 588,318 | 697,898 |
| Prepaid expenses | 289,432 | 501,246 |
| Total current assets | 7,597,652 | 9,226,673 |
| Property and equipment, at cost | | |
| Buildings and improvements | 21,591,276 | 21,568,458 |
| Furniture and fixtures | 8,274,358 | 7,042,313 |
| Motor vehicles | 526,647 | 489,519 |
| Land improvements | 70,976 | 70,976 |
| Total | 30,463,257 | 29,171,266 |
| Less accumulated depreciation | (16,085,505) | (14,735,132) |
| Total | 14,377,752 | 14,436,134 |
| Land | 1,112,499 | 1,112,499 |
| Construction in progress | 137,040 | 913,347 |
| Total property and equipment, net | 15,627,291 | 16,461,980 |
| Other assets | | |
| Beneficial interest in perpetual trust | 3,683,057 | 2,907,498 |
| Investments - in perpetuity | 1,213,263 | 1,213,263 |
| Investments - restricted for time/purpose | 1,056,530 | 794,397 |
| Investments - functioning as an endowment | 7,361,177 | 5,654,643 |
| Total other assets | 13,314,027 | 10,569,801 |
| Total assets | $ 36,538,970 | $ 36,258,454 |

**United Community & Family Services, Inc.**

**Statements of Financial Position**
**June 30, 2021 and 2020**

Liabilities and Net Assets

| | 2021 | 2020 |
|---|---|---|
| Current liabilities | | |
| Accounts payable and other | $ 626,444 | $ 1,197,053 |
| Accrued expenses | 2,905,856 | 2,268,385 |
| Refundable advances - grants | 148,597 | 1,173,498 |
| Current portion of notes payable | 329,016 | 317,630 |
| Refundable advance - PPP | - | 6,339,100 |
| Current portion of capital lease obligations | 39,427 | 41,012 |
| Total current liabilities | 4,049,340 | 11,336,678 |
| Long-term liabilities | | |
| Notes payable, net of current portion | 3,528,454 | 3,861,576 |
| Capital lease obligations, net of current portion | 24,502 | 63,928 |
| Total long-term liabilities | 3,552,956 | 3,925,504 |
| Total liabilities | 7,602,296 | 15,262,182 |
| Commitments and contingencies | | |
| Net assets | | |
| Net assets without donor restrictions | 22,409,730 | 15,506,346 |
| Net assets with donor restrictions | | |
| Time/purpose | 1,451,889 | 1,190,430 |
| In perpetuity | 5,075,055 | 4,299,496 |
| Total net assets with donor restrictions | 6,526,944 | 5,489,926 |
| Total net assets | 28,936,674 | 20,996,272 |
| Total liabilities and net assets | $ 36,538,970 | $ 36,258,454 |

See Notes to Financial Statements.

## United Community & Family Services, Inc.

### Statements of Activities
### Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Changes in net assets without donor restrictions | | |
| Operating revenue and support | | |
| Patient service revenue, net of contractual allowances and discounts | $ 19,635,659 | $ 20,558,535 |
| Grants from government and other agencies | 13,862,201 | 11,643,909 |
| Pharmacy revenue | 1,401,814 | 1,441,327 |
| Investment income | 221,527 | 232,715 |
| Rental income | 231,919 | 226,416 |
| Other revenue | 697,550 | 403,223 |
| Realized loss on investments | (3,661) | (55,977) |
| Special events | 42,759 | 6,792 |
| Contribution - PPP | 6,339,100 | - |
| Contributions | 232,337 | 323,010 |
| | 42,661,205 | 34,779,950 |
| Net assets released from restrictions | 336,368 | 460,734 |
| Total operating revenue and support | 42,997,573 | 35,240,684 |
| Expenses | | |
| Program services | 32,311,825 | 32,002,986 |
| Support services | 5,162,127 | 5,950,485 |
| Total expenses | 37,473,952 | 37,953,471 |
| Change in net assets without donor restrictions before other income | 5,523,621 | (2,712,787) |
| Other income | | |
| Gain on disposal of property and equipment | 11,500 | - |
| Unrealized gain on investments | 1,368,263 | 79,723 |
| Total other income | 1,379,763 | 79,723 |
| Change in net assets without donor restrictions | 6,903,384 | (2,633,064) |
| Changes in net assets with donor restrictions - time/purpose | | |
| United Way funding | 335,725 | 335,189 |
| Investment income | 24,788 | 33,737 |
| Realized loss on investments | (509) | (9,724) |
| Unrealized gain on investments | 237,823 | 8,180 |
| Net assets released from restrictions | (336,368) | (460,734) |
| Change in net assets with donor restrictions - time/purpose | 261,459 | (93,352) |
| Changes in net assets with donor restrictions - in perpetuity | | |
| Change in value of beneficial interest in perpetual trust | 775,559 | (15,922) |
| Change in net assets with donor restrictions - in perpetuity | 775,559 | (15,922) |
| Change in net assets | 7,940,402 | (2,742,338) |
| Net assets, beginning | 20,996,272 | 23,738,610 |
| Net assets, end | $ 28,936,674 | $ 20,996,272 |

See Notes to Financial Statements.

## United Community & Family Services, Inc.

## Statements of Functional Expenses
## Year Ended June 30, 2021 (With Comparative Totals for 2020)

| | Program services | | | | Support services | | | 2021 | 2020 |
|---|---|---|---|---|---|---|---|---|---|
| | Behavioral health | Medical services | ElderCare services | Total program services | Management and general | Fundraising | Total support services | Total | Total |
| Salaries and wages | $ 13,352,400 | $ 6,401,712 | $ 916,806 | $ 20,670,918 | $ 2,719,761 | $ - | $ 2,719,761 | $ 23,390,679 | $ 22,930,454 |
| Fringe benefits | 3,381,712 | 1,533,268 | 236,478 | 5,151,458 | 161,357 | - | 161,357 | 5,312,815 | 6,070,966 |
| Total personnel expenses | 16,734,112 | 7,934,980 | 1,153,284 | 25,822,376 | 2,881,118 | - | 2,881,118 | 28,703,494 | 29,001,420 |
| Contracted services | 365,223 | 2,140,229 | 98,066 | 2,603,518 | 1,700,192 | - | 1,700,192 | 4,303,710 | 2,598,565 |
| Office and medical supplies | 118,753 | 618,449 | 112,894 | 850,096 | 86,243 | - | 86,243 | 936,339 | 2,149,062 |
| Rent and occupancy | - | - | - | - | 258,642 | - | 258,642 | 258,642 | 250,267 |
| Insurance | 3,676 | 424 | 46,737 | 50,837 | 346,938 | - | 346,938 | 397,775 | 347,570 |
| Utilities | - | - | 73,770 | 73,770 | 210,266 | - | 210,266 | 284,036 | 286,120 |
| Transportation | 67,331 | 7,688 | 33,497 | 108,516 | 30,383 | - | 30,383 | 138,899 | 277,268 |
| Repairs and maintenance | 30 | 106 | 5,085 | 5,221 | 50,901 | - | 50,901 | 56,122 | 76,246 |
| Telephone | 67,406 | 10,776 | 12,044 | 90,226 | 231,995 | 503 | 232,498 | 322,724 | 325,939 |
| Rental and maintenance of equipment | 5,267 | 2,753 | - | 8,020 | 103,396 | - | 103,396 | 111,416 | 125,790 |
| Conferences and training | 52,765 | 4,335 | 49 | 57,149 | 28,912 | 2 | 28,914 | 86,063 | 125,627 |
| Advertising | 36,030 | 50,645 | 9,961 | 96,636 | 83,113 | - | 83,113 | 179,749 | 185,107 |
| Interest expense | - | - | 10,960 | 10,960 | 127,769 | - | 127,769 | 138,729 | 166,095 |
| Membership dues | 14,777 | 7,988 | 1,764 | 24,529 | 33,202 | - | 33,202 | 57,731 | 39,812 |
| Awards and grants | 1,508 | - | - | 1,508 | 29,706 | - | 29,706 | 31,214 | 16,771 |
| Special assistance to individuals | 23,381 | 30,913 | - | 54,294 | 31 | - | 31 | 54,325 | 53,512 |
| Printing and publications | 751 | 542 | - | 1,293 | 2,336 | - | 2,336 | 3,629 | 8,595 |
| Program expenses | 220 | 3,775 | - | 3,995 | 2,653 | - | 2,653 | 6,648 | 3,252 |
| License fees | 36,569 | 1,900 | 700 | 39,169 | 1,841 | - | 1,841 | 41,010 | 7,401 |
| Allocated occupancy | 710,200 | 422,589 | - | 1,132,789 | (1,137,756) | 4,967 | (1,132,789) | - | - |
| Provision for uncollectible accounts | - | - | - | - | - | - | - | - | 485,229 |
| Miscellaneous | 3,331 | 8,404 | (1,060) | 10,675 | (34,202) | 15,540 | (18,662) | (7,987) | 69,926 |
| Total other expenses | 1,507,218 | 3,311,516 | 404,467 | 5,223,201 | 2,156,561 | 21,012 | 2,177,573 | 7,400,774 | 7,598,154 |
| Total expenses before depreciation | 18,241,330 | 11,246,496 | 1,557,751 | 31,045,577 | 5,037,679 | 21,012 | 5,058,691 | 36,104,268 | 36,599,574 |
| Depreciation | 503,028 | 586,337 | 176,883 | 1,266,248 | 103,436 | - | 103,436 | 1,369,684 | 1,353,897 |
| Total expenses | $ 18,744,358 | $ 11,832,833 | $ 1,734,634 | $ 32,311,825 | $ 5,141,115 | $ 21,012 | $ 5,162,127 | $ 37,473,952 | $ 37,953,471 |

See Notes to Financial Statements.

## United Community & Family Services, Inc.

### Statement of Functional Expenses
### Year Ended June 30, 2020

| | Program services | | | | Support services | | | 2020 |
|---|---|---|---|---|---|---|---|---|
| | Behavioral health | Medical services | ElderCare services | Total program services | Management and general | Fundraising | Total support services | Total |
| Salaries and wages | $ 12,899,239 | $ 6,531,833 | $ 952,956 | $ 20,384,028 | $ 2,546,426 | $ - | $ 2,546,426 | $ 22,930,454 |
| Fringe benefits | 3,400,965 | 1,782,383 | 287,960 | 5,471,308 | 599,658 | - | 599,658 | 6,070,966 |
| Total personnel expenses | 16,300,204 | 8,314,216 | 1,240,916 | 25,855,336 | 3,146,084 | - | 3,146,084 | 29,001,420 |
| Contracted services | 612,234 | 632,350 | 97,927 | 1,342,511 | 1,256,054 | - | 1,256,054 | 2,598,565 |
| Office and medical supplies | 143,983 | 932,249 | 137,562 | 1,213,794 | 935,268 | - | 935,268 | 2,149,062 |
| Rent and occupancy | - | - | - | - | 250,267 | - | 250,267 | 250,267 |
| Insurance | 5,639 | 250 | 12,798 | 18,687 | 328,883 | - | 328,883 | 347,570 |
| Utilities | - | - | 78,146 | 78,146 | 207,974 | - | 207,974 | 286,120 |
| Transportation | 200,695 | 8,841 | 44,230 | 253,766 | 23,470 | 32 | 23,502 | 277,268 |
| Repairs and maintenance | 309 | 644 | 7,587 | 8,540 | 67,706 | - | 67,706 | 76,246 |
| Telephone | 66,617 | 7,774 | 12,482 | 86,873 | 238,773 | 293 | 239,066 | 325,939 |
| Rental and maintenance of equipment | 2,263 | 9,195 | - | 11,458 | 114,332 | - | 114,332 | 125,790 |
| Conferences and training | 63,889 | 20,375 | (667) | 83,597 | 42,027 | 3 | 42,030 | 125,627 |
| Advertising | 85,043 | 10,553 | 3,308 | 98,904 | 86,203 | - | 86,203 | 185,107 |
| Interest expense | - | - | 20,843 | 20,843 | 145,252 | - | 145,252 | 166,095 |
| Membership dues | 19,875 | 14,992 | 1,639 | 36,506 | 3,306 | - | 3,306 | 39,812 |
| Awards and grants | 4,445 | 40 | - | 4,485 | 12,286 | - | 12,286 | 16,771 |
| Special assistance to individuals | 52,731 | 781 | - | 53,512 | - | - | - | 53,512 |
| Printing and publications | 3,280 | 1,922 | 239 | 5,441 | 3,154 | - | 3,154 | 8,595 |
| Program expenses | 267 | - | - | 267 | 2,985 | - | 2,985 | 3,252 |
| License fees | 821 | 4,678 | 940 | 6,439 | 962 | - | 962 | 7,401 |
| Allocated occupancy | 687,663 | 393,067 | - | 1,080,730 | (1,085,228) | 4,498 | (1,080,730) | - |
| Provision for uncollectible accounts | 266,823 | 218,406 | - | 485,229 | - | - | - | 485,229 |
| Miscellaneous | 21 | (2,670) | 1,220 | (1,429) | 70,911 | 444 | 71,355 | 69,926 |
| Total other expenses | 2,216,598 | 2,253,447 | 418,254 | 4,888,299 | 2,704,585 | 5,270 | 2,709,855 | 7,598,154 |
| Total expenses before depreciation | 18,516,802 | 10,567,663 | 1,659,170 | 30,743,635 | 5,850,669 | 5,270 | 5,855,939 | 36,599,574 |
| Depreciation | 502,616 | 568,071 | 188,664 | 1,259,351 | 94,546 | - | 94,546 | 1,353,897 |
| Total expenses | $ 19,019,418 | $ 11,135,734 | $ 1,847,834 | $ 32,002,986 | $ 5,945,215 | $ 5,270 | $ 5,950,485 | $ 37,953,471 |

See Notes to Financial Statements.

## United Community & Family Services, Inc.

### Statements of Cash Flows
### Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Cash flows from operating activities | | |
| Change in net assets | $ 7,940,402 | $ (2,742,338) |
| Adjustments to reconcile change in net assets to net cash used in operating activities | | |
| Depreciation | 1,369,684 | 1,353,897 |
| Provision for uncollectible accounts | - | 485,229 |
| Realized loss on investments | 4,170 | 65,701 |
| Unrealized gain on investments | (1,606,086) | (87,903) |
| Contribution - PPP | (6,339,100) | - |
| Amortization of deferred financing costs | 1,155 | 1,155 |
| Gain on disposal of property and equipment | (11,500) | - |
| Change in value of beneficial interest in perpetual trust | (775,559) | 15,922 |
| Changes in operating assets and liabilities | | |
| Patient services receivable | (484,677) | (711,904) |
| United Way contribution receivable | 148 | (2,573) |
| Grants receivable | 109,580 | 842 |
| Prepaid expenses | 211,814 | (202,876) |
| Accounts payable and other | (570,609) | 117,480 |
| Accrued expenses | 637,471 | (255,851) |
| Refundable advances - grants | (1,024,901) | 923,876 |
| Net cash used in operating activities | (538,008) | (1,039,343) |
| Cash flows from investing activities | | |
| Proceeds from sales of investments | 716,887 | 552,970 |
| Purchases of investments | (904,330) | (515,122) |
| Purchases of property and equipment | (523,495) | (1,247,934) |
| Net cash used in investing activities | (710,938) | (1,210,086) |

**United Community & Family Services, Inc.**

**Statements of Cash Flows**
**Years Ended June 30, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| Cash flows from financing activities | | |
| Borrowings on line of credit | - | 550,000 |
| Repayments on line of credit | - | (550,000) |
| Repayment on capital lease obligations | (41,011) | (45,766) |
| Refundable advance - PPP | - | 6,339,100 |
| Payments on notes payable | (322,891) | (392,258) |
| Net cash (used in) provided by financing activities | (363,902) | 5,901,076 |
| Net (decrease) increase in cash and cash equivalents | (1,612,848) | 3,651,647 |
| Cash and cash equivalents, beginning | 5,657,283 | 2,005,636 |
| Cash and cash equivalents, end | $ 4,044,435 | $ 5,657,283 |
| Supplemental disclosures of cash flow information | | |
| Cash paid for interest | $ 138,729 | $ 166,095 |

See Notes to Financial Statements.

## Note 1 - Organization and summary of significant accounting policies

### Organization

The mission of United Community & Family Services, Inc. (the "Organization") is "to improve the health and well-being of the community". The Organization provides comprehensive healthcare services that strengthen those in need throughout greater southeastern Connecticut.

### Accounting pronouncements

The Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This ASU provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers, which reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenue. The Organization adopted ASU 2014-09 on July 1, 2020 using the modified retrospective method of transition. The Organization performed an analysis of revenue streams and transactions under ASU 2014-09. In particular, for patient service revenue net of contractual allowances and discounts and for pharmacy revenue, the Organization performed an analysis into the application of the portfolio approach as a practical expedient to group patient contracts and group pharmacy contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. Upon adoption, the majority of what was previously classified as provision for uncollectible accounts and presented as reduction to patient revenue net of contractual allowances and discounts on the statements of activities is now treated as a price concession that reduces the transaction price, which is reported as net patient services revenue. The new standard also requires enhanced disclosures related to the disaggregation of revenue and significant judgments made in measurement and recognition. The impact of adopting ASU 2014-09 was not material to total revenue without donor restrictions, change in net assets without donor restrictions, or total net assets.

The Organization adopted ASU 2018-13, *Fair Value Measurement (Topic 820)*. This accounting standard changes the disclosure requirements for fair value measurement. The Organization adopted the provisions of ASU 2018-13 on July 1, 2020. There is no effect on net assets in connection with the implementation of ASU 2018-13.

### 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. The Organization reports information regarding its financial position and activities according to the following net asset categories:

*Net assets without donor restrictions* - Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes by the Board of Directors.

*Net assets with donor restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions are temporary in nature, such as that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Performance indicator**
The statements of activities include the change in net assets without donor restrictions before other income as the performance indicator.

**Concentrations of credit risk**
The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, patient service revenue and receivables, grants revenue and receivables and investments.

The Organization maintains cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash. As of June 30, 2021, the Organization has approximately $3,800,000 of cash and cash equivalents in excess of the federally insured limits.

The Organization invests in various debt and equity securities. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is at least reasonably possible that these factors will result in changes in the value of the Organization's investments, which could materially affect amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**Cash equivalents**
The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**In-kind contributions**
In-kind contributions consist primarily of medical supplies and are recorded at the fair value of the supplies provided. The fair value of those goods as provided by the funding sources is $308,248 and $347,495 for the years ended June 30, 2021 and 2020, respectively, and is recorded as grants from government and other agencies on the statements of activities, along with a corresponding charge to office and medical supplies in the accompanying statements of functional expenses.

**Income taxes**
The Organization is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). However, certain operations of the Organization may qualify as unrelated business taxable income and to the extent that these operations generate income, they will be subject to federal and state taxes.

The Organization has no unrecognized tax benefits at June 30, 2021 and 2020. The Organization's federal and state information and unrelated business income tax returns prior to fiscal year 2018 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization has unrelated business income taxes, they will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

### Perpetual trust

The Organization is one of several income beneficiaries of a perpetual trust. The Organization regularly receives income distributions from the perpetual trust, the amounts of which are recorded as contributions in the statements of activities. The income from the perpetual trusts is for general operations of the Organization and for use of Sheltering Arms. The principal is controlled by a bank trustee independent of the Organization. The Organization has recorded its proportionate share of the trust principal as net assets with donor restrictions - in perpetuity. The Organization's estimate of fair value at each reporting date is based on fair value information received from the trustee. Trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds, and equity securities.

### Investments

The Organization reports investments at their current fair values and reflects any gains or losses in the statements of activities. Gains and losses are considered without donor restriction unless restricted by donor stipulation or law. Nonmonetary investments received as gifts are immediately sold and recorded at the realized value.

### Net patient services revenue and receivables

Patient care service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services in the centers. The Organization measures the performance obligation from the commencement of an encounter, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the encounter.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB Accounting Standards Codification ("ASC") 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The Organization's performance obligations consist primarily of outpatient services that occur within one day of a patient's visit, thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

*Medicare* - Outpatient services are paid using prospectively determined rates.

*Medicaid* - Reimbursements for Medicaid services are generally paid at prospectively determined rates per visit or per covered member.

*Other* - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per visit, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in centers entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant for the years ended June 30, 2021 and 2020.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended June 30, 2021 and 2020, there was no additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years.

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as provision for uncollectible accounts.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

The Organization is open to all patients, regardless of their ability to pay. In the ordinary course of business, the Organization renders services to patients who are financially unable to pay for healthcare. The Organization provides care to these patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on patient income and family size.

The Organization maintains records to identify and monitor the level of sliding fee discount it provides. For uninsured self-pay patients that do not qualify for charity care, 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 significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records an explicit concession to uninsured patients in the period the services are provided based on historical experience.

Community benefit represents the cost of services for Medicaid, Medicare, and other public patients for which the Organization is not reimbursed.

Based on the cost of patient services, charity care amounted to approximately $186,000 and $342,000, respectively, and community benefit amounted to approximately $10,400,000 and $11,108,000, respectively, for the years ended June 30, 2021 and 2020.

Such amounts determined to qualify as charity care are not reported as revenue.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

The beginning and ending patient services receivable balances were as follows as of June 30, 2021 and 2020:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Patient services receivable, net | $ 1,848,231 | $ 1,363,554 | $ 1,136,879 |

**Pharmacy revenue and receivable**

The Organization participates in Section 340B of the Public Health Service Act ("PHS Act"), Limitation on Prices of Drugs Purchased by Covered Entities. Participation in this program allows the Organization to purchase pharmaceuticals at discounted rates for prescriptions to eligible patients. Pharmacy revenue is generated through the 340B program that the Organization operates through its agreements with contracted pharmacies. Under this program, the Organization uses the contracted pharmacies as its agents for the purpose of operating and providing pharmacy services.

Because all of its performance obligations relate to pharmacy sales contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The Organization's performance obligations in relation to pharmacy revenue consist primarily of pharmacy sales that occur as the patient purchases the prescription, thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

The Organization determines the transaction price based on standard charges for prescriptions provided, reduced by contractual adjustments provided to third party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the Organization's pharmacy revenue patients and customers and the Organization does not believe it is required to provide additional goods or services related to that sale.

**Property and equipment**

The Organization capitalizes all expenditures for property and equipment in excess of $5,000. Purchased property and equipment are carried at cost, less accumulated depreciation. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated lives for financial reporting purposes are as follows:

| Asset | Estimated lives |
|---|---|
| Buildings and improvements | 5 - 20 years |
| Furniture and fixtures | 2 - 15 years |
| Motor vehicles | 4 - 10 years |
| Land improvements | 3 - 30 years |

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities.

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Organization compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during the period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. The Organization does not believe that any material impairment currently exists related to its long-lived assets.

Capital assets (personal property) purchased with funds received from all state funding agencies are expensed in the year acquired and are charged to the program benefited. Title to the equipment remains with the funding agency and the capital assets revert to that agency at the termination of the program. The amount of equipment purchased and expensed as incurred was $0 and $8,500 for the years ended June 30, 2021 and 2020, respectively.

During the years ended June 30, 2021 and 2020, the Organization incurred costs associated with various capital projects. Upon completion, these projects will be placed into service and depreciated over their applicable estimated useful lives.

**Contributions**

Transactions where the resource providers often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Conditional and unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. Donor-restricted contributions whose conditions and restrictions expire during the same fiscal year are recognized as contribution without donor restrictions.

**Grants and contracts**
Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances.

On the other hand, when the resource provider does not receive commensurate value, the transaction is accounted for as a contribution.

**Donated services**
Donated services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services during the years ended June 30, 2021 and 2020.

**Cost settlement**
The Organization is subject to cost settlement procedures prescribed by various state agencies. As of June 30, 2021 and 2020, management has recorded a cost settlement payable of $95,152 and $416,185, respectively, which is included within accounts payable and other in the accompanying statements of financial position.

**Deferred financing costs**
Deferred financing costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the debt to which such costs relate. Amortization of deferred financing costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

**Endowment and spending policies**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Board of Directors approves annual appropriations for distribution. When deciding the appropriation amount, the Board of Directors considers the long-term expected return on its endowment in order to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and occupancy, rental and maintenance of equipment, insurance, allocated occupancy, and depreciation, which are allocated on a square footage basis. The Organization allocates salaries and wages, program expenses, license fees, conferences and training, and office and medical supplies based on actual expenses incurred. Weighted average methodology is used for fringe benefits, utilities, transportation, printing and publications, and miscellaneous.

**Reclassification**

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation.

**Subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through December 22, 2021, which is the date the financial statements were available to be issued.

## Note 2 - Patient service revenue and receivable, net

The composition of patient service revenue by primary payor for the years ended June 30, 2021 and 2020 is as follows:

| | 2021 | 2020 |
|---|---|---|
| Medicaid | $ 14,283,653 | $ 14,562,489 |
| Medicare | 1,908,255 | 1,917,587 |
| Third-party payors and other | 2,822,914 | 3,476,094 |
| Self-pay patients | 620,837 | 602,365 |
| | $ 19,635,659 | $ 20,558,535 |

Revenue from patient deductibles and coinsurance are included in the preceding categories based on the primary payor.

Patient services receivable consist of amounts due from governmental programs, commercial insurance companies, other group insurance programs and private pay patients. Net patient services receivable, consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Medicaid | $ 777,326 | $ 609,483 |
| Medicare | 369,798 | 471,103 |
| Self-pay patients | 679,595 | 352,928 |
| Third-party payors | 1,140,024 | 843,655 |
| | 2,966,743 | 2,277,169 |
| Less allowance for doubtful accounts | (1,118,512) | (913,615) |
| | $ 1,848,231 | $ 1,363,554 |

The Organization's concentration of credit risk relating to patient services receivables primarily relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but the patient responsibility amounts remain outstanding.

## Note 3 - Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2021 and 2020, the Organization has the following financial assets available to meet annual operating needs for the 2022 and 2021 fiscal years.

| | 2021 | 2020 |
|---|---|---|
| Cash and cash equivalents | $ 4,034,435 | $ 5,657,283 |
| Patient services receivable, net | 1,848,231 | 1,363,554 |
| United Way contribution receivable | 333,910 | 334,058 |
| Grants receivable | 588,318 | 697,898 |
| Financial assets available to meet general expenditures over the next twelve months | $ 6,804,894 | $ 8,052,793 |

As part of the Organization's liquidity management, the Organization keeps its financial assets available as its general expenditures liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of $2,000,000 which it could draw upon.

## Note 4 - Grants

Grants receivable are evidenced by contracts with a variety of federal and state governmental agencies as well as other agencies and, based on historical experience, management believes these receivables represent negligible credit risk. Accordingly, management has not established an allowance for doubtful accounts. The Organization receives a significant amount of grants from the United States Department of Health and Human Services ("DHHS"), State of Connecticut Department of Children and Families ("DCF") and the Department of Public Health ("DPH"). As with all government funding, these grants are subject to reduction or termination in future years. For the year ended June 30, 2021, grants from DHHS, DCF and DPH consist of 26%, 51% and 4%, respectively, of the total grants from governmental and other agencies. For the year ended June 30, 2020, grants from DHHS, DCF and DPH consist of 19%, 57% and 5%, respectively, of the total grants from governmental and other agencies.

## Note 5 - DHHS grants

For the year ended June 30, 2021, the Organization recognized grant revenue from the DHHS as follows:

| Grant number | Grant period | Total grant | Total revenue recognized |
|---|---|---|---|
| H80CS29000 | 06/01/2020 - 05/31/2021 | $ 2,018,488 | $ 1,188,605 |
| H80CS29000 | 06/01/2021 - 05/31/2022 | 1,256,311 | - |
| H8CCS34872 | 03/15/2020 - 03/14/2021 | 63,751 | - |
| H8DCS35954 | 04/01/2020 - 03/31/2021 | 839,795 | 839,795 |
| H8ECS37976 | 05/01/2020 - 04/30/2022 | 398,299 | 196,559 |
| H8FCS41226 | 04/01/2021 - 03/31/2023 | 3,353,500 | 59,900 |
| Provider Relief Funds | 04/10/2020 - 06/30/2021 | 704,329 | 704,329 |
| | | | $ 2,989,188 |

At June 30, 2021, the Organization has received conditional grants and contracts from governmental entities in the aggregate amount of approximately $5,600,000 that have not been recorded in the accompanying statement of financial position as they have not yet been earned. These grants and contracts require the Organization to provide certain services during specified periods. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts.

## Note 6 - Investments/fair value measurements

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. There were no changes in valuation techniques during fiscal years 2021 and 2020.

Financial assets carried at fair value at June 30, 2021 are classified in the table below in one of the three categories described above:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ - | $ 1,230,830 | $ - | $ 1,230,830 |
| Fixed income | | | | |
| Corporate bonds | - | 975,214 | - | 975,214 |
| Municipal bonds | - | 874,286 | - | 874,286 |
| Foreign corporate bonds | - | 95,330 | - | 95,330 |
| Mutual funds and exchange-traded funds | | | | |
| Income | 84,100 | - | - | 84,100 |
| Fixed income | 14,736 | - | - | 14,736 |
| Large growth | 304,810 | - | - | 304,810 |
| Large blend | 43,287 | - | - | 43,287 |
| Large-cap | 4,015 | - | - | 4,015 |
| Mid-cap growth | 40,461 | - | - | 40,461 |
| Mid-cap blend | 203,123 | - | - | 203,123 |
| Mid-cap value | 32,071 | - | - | 32,071 |
| Small-cap | 72,090 | - | - | 72,090 |
| Foreign large blend | 14,263 | - | - | 14,263 |
| Health | 32,730 | - | - | 32,730 |
| Real estate | 85,894 | - | - | 85,894 |
| Diversified | 34,551 | - | - | 34,551 |
| Common stocks - foreign | | | | |
| Technology | 186,707 | - | - | 186,707 |
| Common stocks - domestic | | | | |
| American Depository Receipts | 51,143 | - | - | 51,143 |
| Energy | 18,230 | - | - | 18,230 |
| Basic Materials | 202,842 | - | - | 202,842 |
| Communication | 122,380 | - | - | 122,380 |
| Consumer Goods | 825,317 | - | - | 825,317 |
| Financial | 962,809 | - | - | 962,809 |
| Healthcare | 1,061,133 | - | - | 1,061,133 |
| Industrial Goods | 655,097 | - | - | 655,097 |
| Services | 86,641 | - | - | 86,641 |
| Technology | 1,477,138 | - | - | 1,477,138 |
| Utilities | 333,068 | - | - | 333,068 |
| Beneficial interest in perpetual trust | - | - | 3,683,057 | 3,683,057 |
| | $ 6,948,636 | $ 3,175,660 | $ 3,683,057 | $ 13,807,353 |

Financial assets carried at fair value at June 30, 2020 are classified in the table below in one of the three categories described above:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ - | $ 1,031,566 | $ - | $ 1,031,566 |
| Fixed income | | | | |
| Corporate bonds | - | 1,159,664 | - | 1,159,664 |
| Municipal bonds | - | 1,063,938 | - | 1,063,938 |
| Foreign corporate bonds | - | 65,420 | - | 65,420 |
| Mutual funds and exchange-traded funds | | | | |
| Income | 48,690 | - | - | 48,690 |
| Fixed income | 14,747 | - | - | 14,747 |
| Large growth | 148,560 | - | - | 148,560 |
| Large blend | 31,177 | - | - | 31,177 |
| Large-cap | 2,860 | - | - | 2,860 |
| Mid-cap blend | 144,624 | - | - | 144,624 |
| Mid-cap value | 22,198 | - | - | 22,198 |
| Small-cap | 46,630 | - | - | 46,630 |
| Foreign large blend | 10,712 | - | - | 10,712 |
| Health | 27,338 | - | - | 27,338 |
| Real estate | 58,898 | - | - | 58,898 |
| Diversified | 25,106 | - | - | 25,106 |
| Common stocks - foreign | | | | |
| Technology | 110,225 | - | - | 110,225 |
| Common stocks - domestic | | | | |
| American Depository Receipts | 45,280 | - | - | 45,280 |
| Basic Materials | 149,944 | - | - | 149,944 |
| Communication | 19,490 | - | - | 19,490 |
| Consumer Goods | 690,807 | - | - | 690,807 |
| Financial | 643,656 | - | - | 643,656 |
| Healthcare | 844,627 | - | - | 844,627 |
| Industrial Goods | 423,219 | - | - | 423,219 |
| Services | 85,951 | - | - | 85,951 |
| Technology | 1,118,882 | - | - | 1,118,882 |
| Utilities | 300,728 | - | - | 300,728 |
| Beneficial interest in perpetual trust | - | - | 2,907,498 | 2,907,498 |
| | $ 5,014,349 | $ 3,320,588 | $ 2,907,498 | $ 11,242,435 |

Common stocks, mutual funds and exchange-traded funds are valued using market prices on active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. The values of mutual funds represent the net asset value of shares held by the Organization at year end. Fixed income securities and money market funds are designated as Level 2 instruments. Fixed income securities are valued based on inputs which include benchmark yields, broker/dealer quotes, recently executed transactions of the issuer or comparable issuers and/or bond spreads which incorporate credit risk. Money market funds are valued at the net asset value of shares held by the Organization at year end.

The Organization's perpetual trust is valued using Level 3 inputs and is stated at the fair value of the Organization's share of the trust based on the values of the underlying investments in the trust. These values are established by the trustee using market values for identical assets in an active market for similar assets. The trustee provides the Organization with investment statements and valuations of its portion of the trust at year end. These are evaluated annually by the Organization.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following summarizes the relationship between the cost and fair values of investments as of June 30, 2021:

| | Cost | Fair value | Unrealized gain (loss) |
|---|---|---|---|
| Money market funds | $ 1,230,830 | $ 1,230,830 | $ - |
| Common stocks - domestic | 2,470,276 | 5,795,798 | 3,325,522 |
| Common stocks - foreign | 60,825 | 186,707 | 125,882 |
| Mutual funds and exchange-traded funds | 654,838 | 966,131 | 311,293 |
| Corporate bonds | 879,580 | 975,214 | 95,634 |
| Municipal bonds | 826,295 | 874,286 | 47,991 |
| Foreign corporate bonds | 99,750 | 95,330 | (4,420) |
| Total | $ 6,222,394 | $ 10,124,296 | $ 3,901,902 |

The following summarizes the relationship between the cost and fair values of investments as of June 30, 2020:

| | Cost | Fair value | Unrealized gain (loss) |
|---|---|---|---|
| Money market funds | $ 1,031,566 | $ 1,031,566 | $ - |
| Common stocks - domestic | 2,235,299 | 4,322,584 | 2,087,285 |
| Common stocks - foreign | 67,729 | 110,225 | 42,496 |
| Mutual funds and exchange-traded funds | 525,034 | 581,540 | 56,506 |
| Corporate bonds | 1,057,215 | 1,159,664 | 102,449 |
| Municipal bonds | 1,022,528 | 1,063,938 | 41,410 |
| Foreign corporate bonds | 99,750 | 65,420 | (34,330) |
| Total | $ 6,039,121 | $ 8,334,937 | $ 2,295,816 |

Investments are reported in the statements of financial position as follows as of June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Current assets - Board designated for capital | $ 493,326 | $ 672,634 |
| Other assets - in perpetuity | 1,213,263 | 1,213,263 |
| Other assets - restricted for time/purpose | 1,056,530 | 794,397 |
| Other assets - functioning as an endowment | 7,361,177 | 5,654,643 |
| | $ 10,124,296 | $ 8,334,937 |

Investments of $1,131,904 are pledged as collateral on the secured commercial loans with Dime Savings Bank. A segregated investment account must have a balance sufficient to cover the loan balances, which totaled $542,223 and $609,699 as of June 30, 2021 and 2020, respectively.

## Note 7 - Line of credit

The Organization has a line of credit with Dime Bank for $2,000,000 that expires in February 2022. The line of credit can be withdrawn by Dime Bank at any time. This line is secured by all business assets of the Organization. Interest is calculated at the prime rate (effective rate - 3.25% at June 30, 2021). There were no outstanding balances as of June 30, 2021 and 2020. The line of credit includes certain nonfinancial covenants.

The Organization has a line of credit agreement with Dime Bank to finance the purchase of a new electronic health record system. Based on the terms of the line of credit agreement, the Organization can draw up to $600,000 during the advance period which ends on October 31, 2020. At that point in time, the outstanding amount is converted to a note which will mature on October 1, 2025 and bear interest of 3.5%. There were no outstanding balances as of June 30, 2021 and 2020.

## Note 8 - Notes payable

Notes payable consist of the following:

| | 2021 | 2020 |
|---|---|---|
| Note payable with interest rate of 3.6%. The note matures on September 1, 2032. The Organization's commercial property is pledged as collateral. | $ 787,580 | $ 853,426 |
| Note payable with interest rate equal to the Bank of Boston's five-year regular amortizing advance rate for a twenty-year advance plus 100 basis points (effective rate - 1.87% at June 30, 2021), until December 2028. Certain investments are pledged as collateral. | 542,223 | 609,699 |

| | 2021 | 2020 |
|---|---|---|
| Note payable with a 3.6% fixed interest rate in monthly installments of $23,836, including interest, until April 2032. The Organization's commercial property is pledged as collateral. The unamortized debt issuance costs were $12,433 and $13,588 as of June 30, 2021 and 2020, respectively and are being amortized using an imputed interest rate that approximates the fixed rate of the note. | 2,540,100 | 2,729,669 |
| | 3,869,903 | 4,192,794 |
| Less unamortized debt issuance costs | (12,433) | (13,588) |
| Less current portion | (329,016) | (317,630) |
| Long-term portion | $ 3,528,454 | $ 3,861,576 |

Aggregate annual maturities of the notes payable are as follows:

| | |
|---|---|
| 2022 | $ 329,016 |
| 2023 | 340,810 |
| 2024 | 352,959 |
| 2025 | 365,746 |
| 2026 | 378,790 |
| Thereafter | 2,102,582 |
| | $ 3,869,903 |

In addition, the Organization must meet certain financial covenants.

Total interest charged to operations, including interest charged on the line of credit, during fiscal years 2021 and 2020 amounted to $137,574 and $164,940, respectively.

## Note 9 - Leases

The Organization leases space in several locations for various programs under noncancelable leases, which expire at various times through March 2024. Total rent expense for building operating leases amounted to $253,807 and $250,267 for the years ended June 30, 2021 and 2020, respectively. The Organization leases office equipment under noncancelable leases, which expire at various times through November 2024. Total rent expense for equipment amounts to $72,575 and $86,163 for the years ended June 30, 2021 and 2020, respectively.

At June 30, 2021, aggregate future minimum rental payments due under noncancelable operating leases in each of the years subsequent to June 30, 2021 and thereafter, consist of the following:

| | |
|---|---|
| 2022 | $ 372,518 |
| 2023 | 116,999 |
| 2024 | 68,799 |
| 2025 | 3,475 |
| | $ 561,791 |

## Note 10 - Employee benefits

The Organization sponsors a 401(k) plan. The Organization contributes a percentage of eligible employees' compensation. The plan allows employees to make voluntary pretax contributions up to applicable Internal Revenue Service limits. Eligibility for the plan is based on completing one year of service, which includes at least 1,000 hours of service, and participants must be at least 21 years of age. The Organization contributed 6% and 8.5% of eligible employees' compensation during the years ended June 30, 2021 and 2020, respectively. The Organization's contributions to the plan for the fiscal years ended June 30, 2021 and 2020 were $1,462,982 and $1,730,461, respectively.

## Note 11 - Endowment

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions - in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction in perpetuity is classified as net assets with donor restrictions for time/purpose until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by CTUPMIFA.

In accordance with CTUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation (depreciation) of investments

- Other resources of the Organization
- The investment policies of the Organization

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

| | Without donor restrictions | With donor restrictions - time/purpose | With donor restrictions - in perpetuity | Total |
|---|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 868,817 | $ 1,213,263 | $ 2,082,080 |
| Board-designated endowment funds | 7,361,177 | - | - | 7,361,177 |
| Total funds | $ 7,361,177 | $ 868,817 | $ 1,213,263 | $ 9,443,257 |

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

| | Without donor restrictions | With donor restrictions - time/purpose | With donor restrictions - in perpetuity | Total |
|---|---|---|---|---|
| Endowment net assets, beginning | $ 5,654,643 | $ 656,922 | $ 1,213,263 | $ 7,524,828 |
| Investment income, net | 153,311 | 22,601 | - | 175,912 |
| Net realized and unrealized appreciation | 1,284,050 | 189,294 | - | 1,473,344 |
| Redesignation | 269,173 | - | - | 269,173 |
| Endowment net assets, end | $ 7,361,177 | $ 868,817 | $ 1,213,263 | $ 9,443,257 |

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

| | Without donor restrictions | With donor restrictions - time/purpose | With donor restrictions - in perpetuity | Total |
|---|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 656,922 | $ 1,213,263 | $ 1,870,185 |
| Board-designated endowment funds | 5,654,643 | - | - | 5,654,643 |
| Total funds | $ 5,654,643 | $ 656,922 | $ 1,213,263 | $ 7,524,828 |

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

| | Without donor restrictions | With donor restrictions - time/purpose | With donor restrictions - in perpetuity | Total |
|---|---|---|---|---|
| Endowment net assets, beginning | $ 5,754,002 | $ 621,771 | $ 1,213,263 | $ 7,589,036 |
| Investment income, net | 161,176 | 30,983 | - | 192,159 |
| Net realized and unrealized appreciation | 21,497 | 4,168 | - | 25,665 |
| Redesignation | (32,032) | - | - | (32,032) |
| Amounts appropriated for expenditure | (250,000) | - | - | (250,000) |
| Endowment net assets, end | $ 5,654,643 | $ 656,922 | $ 1,213,263 | $ 7,524,828 |

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or applicable law requires the Organization to retain as a fund of perpetual duration. There were no deficiencies as of June 30, 2021 and 2020.

## Note 12 - Net assets with donor restrictions - in perpetuity

Net assets with donor restrictions - in perpetuity consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Cash | $ 10,000 | $ 10,000 |
| Property restricted for use in Organization operations | 168,735 | 168,735 |
| Investments | 1,213,263 | 1,213,263 |
| Beneficial interest in perpetual trust | 3,683,057 | 2,907,498 |
| | $ 5,075,055 | $ 4,299,496 |

## Note 13 - Net assets with donor restrictions - time/purpose

Net assets with donor restrictions - time/purpose are made up of contributions restricted by donors for funding a variety of programs as well as a pledge of contributions for future fiscal year program costs and earnings on perpetual endowment funds in accordance with CTUPMIFA. The contributions restricted by donors are segregated into separate cash accounts by the Organization.

Net assets with donor restrictions - time/purpose are restricted for the following purposes as of June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Contributions subject to purpose and time restrictions | | |
| *To fund certain programs and assist the poor and needy* | $ 249,162 | $ 198,319 |
| To fund future fiscal year program costs | 333,910 | 335,189 |
| Earnings on perpetual endowment funds in accordance with CTUPMIFA | 868,817 | 656,922 |
| | $ 1,451,889 | $ 1,190,430 |

## Note 14 - Rental income

The Organization leases space to several organizations which expire at various times through November 2022. Rental income for the years ended June 30, 2021 and 2020 was $231,919 and $226,416, respectively. The future minimum lease payments to be received in the years subsequent to June 30, 2021 are as follows:

| | |
|---|---|
| 2022 | $ 167,414 |
| 2023 | 138,608 |
| 2024 | 127,668 |
| 2025 | 31,917 |
| | $ 465,607 |

## Note 15 - Bonding liens

The Organization has received bond funding from various State of Connecticut agencies. The providers of the bond funds place a ten-year lien on the property when the project is complete. If the property is not utilized by the Organization, the bond funds will have to be repaid. The repayment would be in an amount equal to the amount of the bond less 10% for each full year of the ten-year period that the property was utilized. The amortization period begins when the assets are placed into service. The amount of the unexpired liens was $4,768,698 and $4,857,307 as of June 30, 2021 and 2020, respectively, and expire at various times through fiscal year 2030. The Organization recognize bonding revenue of $0 and $834,350, respectively, for the years ended June 30, 2021 and 2020.

## Note 16 - Refundable advance

On April 14, 2020, the Organization received a loan for $6,339,100 from Dime Bank through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") to cover eligible payroll and utility costs. The Center was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. On August 11, 2021, the Organization received full forgiveness of the loan by the SBA. The Organization recognized $6,339,100 of revenue as a contribution during the year ended June 30, 2021.

## Note 17 - Contingencies

The Organization receives medical malpractice insurance under the Federal Tort Claims Act (the "FTCA"). The FTCA provides malpractice coverage to eligible Public Health Service supported programs and applies to the Organization and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage. The Organization maintains claims-made gap insurance with coverage of $1,000,000 per claim and $4,000,000 in the aggregate for claims that are not covered by FTCA.

The Organization has contracted with various funding agencies to perform certain healthcare services, and receives Medicaid and Medicare revenue from federal, state and local governments. Reimbursements received under these contracts and payments from Medicaid and Medicare are subject to audit by federal, state and local governments and other agencies. Upon audit, if discrepancies are discovered, the Organization could be held responsible for refunding the amounts in question.

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulations by healthcare providers. The Organization believes that it is in material compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

The Organization is involved in claims and legal actions in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters will not have a material adverse impact on the financial position, results of operations or cash flows of the Organization.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's patients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position, results of operations and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

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UCFS FY2023 Cities and Towns Requests and Awards

| Town | FY 2023 Request | FY 2023 Award |
|---|---|---|
| Bozrah (incl. Gilman) | $ 23,322.00 | $0 |
| Canterbury | $ 42,990.00 | $0 |
| Colchester | $ 96,896.00 | $0 |
| E. Lyme (incl. Niantic) | $ 26,497.00 | $6,301 |
| Franklin (incl. N. Franklin) | $ 12,863.00 | $3,500 |
| Griswold (incl. Jewett City) | $ 296,021.00 | $5,000 |
| Groton (incl. Groton Long Pt., Noank) | $ 93,322.00 | $4,000 |
| Lebanon | $ 17,958.00 | $0 |
| Ledyard (incl. Gales Ferry) | $ 64,042.00 | $0 |
| Lisbon | $ 42,972.00 | $22,500 |
| Lyme (incl. Hadlyme, Old Lyme, S. Lyme) | $ 4,555.00 | $4,555 |
| Montville (incl. Uncasville, Oakdale) | $ 117,190.00 | $1,500 |
| New London | $ 125,061.00 | $0 |
| North Stonington | $ 8,564.00 | $3,564 |
| Norwich (incl. Taftville, Yiantic, Occum) | $ 150,000.00 | $51,500 |
| Plainfield (incl. Ctr. Village, Moosup, Wauregan) | $ 224,831.00 | $0 |
| Preston | $ 40,804.00 | $27,261 |
| Salem | $ 13,977.00 | $0 |
| Sprague (incl. Baltic, Hanover, Versailles) | $ 38,492.00 | $0 |
| Voluntown | $ 32,174.00 | $0 |
| Waterford (incl. Quaker Hill) | $ 32,958.00 | $ 8,000 * |
| **TOTAL** | **$ 1,505,489.00** | **$129,681** |

*pending

Revenue & Expenses

# United Community and Family Services

## Revenue & Expenses

As of November 30, 2022

| | Budget | Variance | YR Budget |
|---|---|---|---|
| **Revenue** | | | |
| OutPatient Revenue | 125,997,679 | -112,429,638 | **19,453,363** |
| Government Grant Revenue | 58,763,417 | -51,483,755 | **8,295,957** |
| HRSA 330 Grant Revenue | 10,223,357 | -8,495,096 | **1,423,311** |
| Non-Gov't Grant Revenue | 0 | 13,975 | **0** |
| Eldercare Fees | 10,828,222 | -9,297,516 | **1,655,430** |
| 340B Phamacy | 8,679,215 | -6,461,101 | **1,240,000** |
| Contract Revenue | 3,167,101 | -2,406,637 | **488,627** |
| United Way | 2,025,680 | -1,663,660 | **293,971** |
| Foundation Revenue | 993,750 | -987,883 | **152,500** |
| Contributions | 897,390 | -743,582 | **138,060** |
| Cities & Towns Revenue | 1,007,353 | -830,856 | **135,847** |
| Special Events | 100,250 | -77,377 | **51,500** |
| Rental Income | 1,493,952 | -1,236,308 | **232,389** |
| COVID Income | 13,885,748 | -11,116,002 | **1,851,433** |
| Miscellaneous Income | 225,025 | -198,781 | **6,750** |
| Total Revenue | 238,288,140 | -207,414,218 | **35,419,138** |
| **Expenses** | | | |
| Personnel Expense | | | |
| Personnel Expense | 172,524,803 | 133,232,799 | **23,654,192** |
| Fringe Benefits | 44,878,664 | 35,854,164 | **6,120,772** |
| Total Salary Related Expenses | 217,403,467 | 169,086,963 | **29,774,965** |
| Other Expenses | | | |
| Contracted Labor/Services/Equipment | 18,206,657 | 14,509,922 | **2,540,672** |
| 340B Contract Expenses | 0 | -169,265 | **0** |
| Equipment & Supplies | 4,923,920 | 2,047,537 | **673,027** |
| Occupancy | 4,634,933 | 3,926,818 | **587,700** |
| Interest & Debt Service | 857,999 | 753,691 | **126,000** |
| Insurance | 3,273,000 | 2,906,216 | **437,600** |
| Telephone/Communications Exps | 2,127,222 | 1,584,477 | **287,529** |
| Transportation - Client/Staff | 2,223,599 | 1,850,710 | **305,440** |
| Staff Training & Meetings | 1,318,048 | 1,215,705 | **168,546** |
| Marketing & Fundraising | 1,101,975 | 1,026,597 | **162,750** |
| Advertising-Employment | 309,750 | 188,800 | **41,700** |
| Staff & Volunteer Recognition | 199,001 | 192,437 | **25,200** |
| Client Support | 275,474 | 252,123 | **37,150** |
| Miscellaneous Expenses | 674,220 | 587,041 | **103,702** |
| Total Other Expense | 40,125,798 | 30,872,810 | **5,497,015** |
| Total Labor and Other Expenses | 257,529,265 | 199,959,773 | **35,271,980** |
| Operations Surplus/Deficit | -19,241,125 | -7,454,445 | **147,158** |

| | | | |
|---|---|---|---|
| Allocated Administration | -156,978 | -156,978 | **0** |
| Surplus/Deficit after GA | -19,084,147 | -7,611,423 | **147,158** |
| Non-Allow Allocation | -17,449 | -17,449 | **0** |
| Total Surplus/Deficit | -19,066,698 | -7,628,871 | **147,158** |

**United Community and Family Services, Inc**
**Annual Operating Budget - Preliminary 2024**

## For the Fiscal Years Ending June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Revenue | | |
| OutPatient Revenue | 20,353,363 | 19,453,363 |
| Government Grant Revenue | 8,495,957 | 8,295,957 |
| HRSA 330 Grant Revenue | 1,423,311 | 1,423,311 |
| Non-Gov't Grant Revenue | 0 | 0 |
| Eldercare Fees | 1,755,430 | 1,655,430 |
| 340B Phamacy | 1,256,000 | 1,240,000 |
| Contract Revenue | 448,627 | 488,627 |
| United Way | 293,971 | 293,971 |
| Foundation Revenue | 152,500 | 152,500 |
| Contributions | 138,060 | 138,060 |
| Cities & Towns Revenue | 135,847 | 135,847 |
| Special Events | 51,500 | 51,500 |
| Rental Income | 232,389 | 232,389 |
| COVID Income | 1,001,433 | 1,851,433 |
| Miscellaneous Income | 6,750 | 6,750 |
| Total Revenue | 35,745,138 | 35,419,138 |
| | | |
| Expenses | | |
| Personnel Expense | 24,127,276 | 23,654,192 |
| Fringe Benefits | 6,610,434 | 6,120,772 |
| Total Salary Related Expenses | 30,737,710 | 29,774,964 |
| | | |
| Contracted Labor/Services/Equipment | 2,241,485 | 2,540,672 |
| Equipment & Supplies | 436,488 | 673,027 |
| Occupancy | 599,454 | 587,700 |
| Interest & Debt Service | 128,520 | 126,000 |
| Insurance | 446,352 | 437,600 |
| Telephone/Communications Exps | 293,280 | 287,529 |
| Transportation - Client/Staff | 311,549 | 305,440 |
| Staff Training & Meetings | 171,917 | 168,546 |
| Marketing & Fundraising | 166,005 | 162,750 |
| Advertising-Employment | 42,534 | 41,700 |
| Staff & Volunteer Recognition | 25,704 | 25,200 |
| Client Support | 37,893 | 37,150 |
| Miscellaneous Expenses | 105,776 | 103,702 |
| Total Other Expense | 5,006,957 | 5,497,016 |
| | | |
| Total Labor and Other Expenses | 35,744,667 | 35,271,980 |
| | | |
| Operations Surplus/Deficit | 471 | 147,158 |
| | | |
| Allocated Administration | 0 | 0 |
| Surplus/Deficit after GA | 471 | 147,158 |
| | | |
| Non-Allow Allocation | 0 | 0 |
| | | |
| Total Surplus/Deficit | 471 | 147,158 |