

**LITTLE SISTERS OF THE ASSUMPTION
FAMILY HEALTH SERVICE, INC.**



LSA Family Health Service

Founded by the Little Sisters of the Assumption in 1958

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended December 31, 2019 and 2018

and

**Schedules Related to The New York City Administration
for Children's Services
Contract Year Ended June 30, 2019**

MARKS PANETH

ACCOUNTANTS & ADVISORS

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2019 AND 2018
AND
SCHEDULES RELATED TO THE NEW YORK CITY
ADMINISTRATION FOR CHILDREN'S SERVICES
CONTRACT YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Little Sisters of the Assumption Family Health Service, Inc.

We have audited the accompanying financial statements of Little Sisters of the Assumption Family Health Service, Inc. (the "Agency") which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

Auditors' 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. 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 Little Sisters of the Assumption Family Health Service, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The supplemental schedules for the contract year ended June 30, 2019 (shown on pages 19-24), are presented for purposes of additional analysis as required by The New York City Administration for Children's Services and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records. We have applied certain limited procedures to this supplementary information, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the underlying accounting and other records and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Marks Paneth LLP

New York, NY
June 12, 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2B, 3 and 12A)	\$ 2,089,737	\$ 838,077
Pledges receivable, net (Notes 2G, 3, 4 and 12B)	859,635	2,442,549
Grants receivable (Notes 2E and 3)	284,357	223,878
Receivables from third party payors, net (Notes 2F, 3 and 7)	66,359	63,021
Investments, at fair value (Notes 2B, 2C, and 5)	522,848	459,473
Prepaid expenses and other current assets	58,953	59,178
Property and equipment, net (Notes 2M and 6)	3,803,807	3,962,535
TOTAL ASSETS	\$ 7,685,696	\$ 8,048,711
LIABILITIES		
Accounts payable and accrued expenses	\$ 313,582	\$ 284,849
Government advances (Note 2E)	287,006	253,102
TOTAL LIABILITIES	600,588	537,951
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Notes 2D and 10)		
Without donor restrictions:		
Undesignated	186,676	542,040
Board designated	1,000,000	1,000,000
Investment in property and equipment	3,803,807	3,962,535
Total without donor restrictions	4,990,483	5,504,575
With donor restrictions (Note 10)	2,094,625	2,006,185
TOTAL NET ASSETS	7,085,108	7,510,760
TOTAL LIABILITIES AND NET ASSETS	\$ 7,685,696	\$ 8,048,711

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	For the Year Ended December 31, 2019			For the Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
SUPPORT AND REVENUE:						
Public Support:						
Special events revenue (Includes auction revenue in 2019 of \$41,302 and \$69,635 in 2018)	\$ 551,377	\$ -	\$ 551,377	\$ 1,006,860	\$ -	\$ 1,006,860
Less: costs of direct benefits to donors (Note 2H)	(88,463)	-	(88,463)	(182,630)	-	(182,630)
Net revenues from special events	462,914	-	462,914	824,230	-	824,230
Net service revenue (Notes 2F and 9)	156,828	-	156,828	128,597	-	128,597
Foundation grants	129,997	998,361	1,128,358	246,939	888,919	1,135,858
Individual donations (Note 12B)	1,328,465	-	1,328,465	1,305,875	1,022,500	2,328,375
Donated goods and services (Note 2J)	202,007	-	202,007	248,773	-	248,773
Net assets released from restrictions (Notes 2G and 10)	953,085	(953,085)	-	737,900	(737,900)	-
Total Public Support	<u>3,233,296</u>	<u>45,276</u>	<u>3,278,572</u>	<u>3,492,314</u>	<u>1,173,519</u>	<u>4,665,833</u>
Government Support (Note 2E):						
Preventive Program	810,808	-	810,808	723,511	-	723,511
Advocacy	265,703	-	265,703	273,298	-	273,298
Asthma	-	-	-	68,298	-	68,298
Delivery System Reform Incentive Payment	221,211	-	221,211	255,739	-	255,739
Maternity Infant Health	98,832	-	98,832	90,324	-	90,324
Total Government Support	<u>1,396,554</u>	<u>-</u>	<u>1,396,554</u>	<u>1,411,170</u>	<u>-</u>	<u>1,411,170</u>
Other Income:						
Investment activity (Notes 2C and 5)	70,105	43,164	113,269	6,647	3,379	10,026
Thrift store	305,091	-	305,091	383,969	-	383,969
Other income	1,668	-	1,668	9,445	-	9,445
Total Other Income	<u>376,864</u>	<u>43,164</u>	<u>420,028</u>	<u>400,061</u>	<u>3,379</u>	<u>403,440</u>
TOTAL SUPPORT AND REVENUE	<u>5,006,714</u>	<u>88,440</u>	<u>5,095,154</u>	<u>5,303,545</u>	<u>1,176,898</u>	<u>6,480,443</u>
EXPENSES:						
Program services	3,915,215	-	3,915,215	3,775,389	-	3,775,389
Management and general	593,020	-	593,020	547,382	-	547,382
Fundraising	1,012,571	-	1,012,571	1,010,129	-	1,010,129
TOTAL EXPENSES	<u>5,520,806</u>	<u>-</u>	<u>5,520,806</u>	<u>5,332,900</u>	<u>-</u>	<u>5,332,900</u>
CHANGE IN NET ASSETS	(514,092)	88,440	(425,652)	(29,355)	1,176,898	1,147,543
Net assets - beginning of year	5,504,575	2,006,185	7,510,760	5,533,930	829,287	6,363,217
NET ASSETS - END OF YEAR	<u>\$ 4,990,483</u>	<u>\$ 2,094,625</u>	<u>\$ 7,085,108</u>	<u>\$ 5,504,575</u>	<u>\$ 2,006,185</u>	<u>\$ 7,510,760</u>

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	For the Year Ended December 31, 2019										
	Program Services						Total Program Services	Supporting Services			Total 2018
	General Nursing	Asthma and Environmental Program	Preventive Services Program	Parent & Child Development	Advocacy & Food Pantry Program	Sharing Place Thrift Store		Management and General	Fundraising	Total 2019	
Salary	\$ 460,412	\$ 243,597	\$ 634,300	\$ 517,304	\$ 257,165	\$ 250,693	\$ 2,363,471	\$ 336,208	\$ 524,152	\$ 3,223,831	\$ 3,078,315
Payroll taxes and employee benefits (Note 11)	79,900	54,809	122,637	119,794	54,661	47,896	479,697	45,967	81,243	606,907	594,284
Total Salaries and Related Costs	540,312	298,406	756,937	637,098	311,826	298,589	2,843,168	382,175	605,395	3,830,738	3,672,599
Independent contractors	15,258	-	-	-	-	-	15,258	-	-	15,258	2,660
Professional fees (Note 2J)	41,013	17,496	34,972	72,492	12,644	28,657	207,274	72,289	155,494	435,057	417,922
Volunteers (Note 2J)	-	-	-	1,404	3,098	-	4,502	-	2,008	6,510	2,855
Emergency and family assistance	-	3,851	2,596	4,830	223,720	-	234,997	-	-	234,997	215,395
Client events, classes and activities	263	789	2,581	1,458	50	-	5,141	-	-	5,141	9,403
Supplies	23,297	13,544	5,899	108,830	19,306	8,187	179,063	792	72,447	252,302	299,532
Printing and publications	3,478	1,863	7,742	1,768	2,939	1,315	19,105	5,061	66,362	90,528	107,793
Telephone	4,805	6,542	10,377	2,706	2,662	2,232	29,324	5,702	1,812	36,838	31,170
Travel	2,541	3,225	3,183	4,276	1,986	13	15,224	2,181	266	17,671	14,198
Conferences, in-service and meetings	5,639	2,291	5,344	4,151	1,232	581	19,238	8,975	7,020	35,233	40,603
Utilities	4,706	5,719	6,864	17,394	6,592	8,010	49,285	3,287	3,271	55,843	67,667
Equipment leases and repairs	1,688	1,967	3,899	3,131	1,920	5,164	17,769	2,127	2,097	21,993	18,895
Building expense	6,374	7,745	9,296	23,548	8,928	10,848	66,739	10,941	4,430	82,110	55,495
Insurance	7,861	8,746	11,321	26,453	10,064	14,964	79,409	5,083	5,042	89,531	81,539
Special event costs	-	-	-	-	-	-	-	-	140,581	140,581	235,746
Bad debt expense	-	-	-	-	-	-	-	68,933	-	68,933	24,035
Miscellaneous	-	-	637	636	-	3,071	4,344	8,686	18,244	31,274	51,155
Subtotal before costs of direct benefits to donors and depreciation	657,235	372,184	861,648	910,175	606,967	381,631	3,789,840	576,232	1,084,469	5,450,541	5,348,662
Less: costs of direct benefits to donors	-	-	-	-	-	-	-	-	(88,463)	(88,463)	(182,630)
Subtotal before depreciation	657,235	372,184	861,648	910,175	606,967	381,631	3,789,840	576,232	996,006	5,362,078	5,166,032
Depreciation (Note 6)	14,026	16,421	31,057	28,895	16,363	18,613	125,375	16,788	16,565	158,728	166,868
TOTAL EXPENSES	\$ 671,261	\$ 388,605	\$ 892,705	\$ 939,070	\$ 623,330	\$ 400,244	\$ 3,915,215	\$ 593,020	\$ 1,012,571	\$ 5,520,806	\$ 5,332,900

The accompanying notes are an integral part of these financial statements.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Year Ended December 31, 2018

	Program Services						Supporting Services			
	General Nursing	Asthma and Environmental Program	Preventive Services Program	Parent & Child Development	Advocacy & Food Pantry Program	Sharing Place Thrift Store	Total Program Services	Management and General	Fundraising	Total 2018
Salary	\$ 426,394	\$ 264,084	\$ 580,156	\$ 582,140	\$ 223,643	\$ 285,046	\$ 2,361,463	\$ 346,108	\$ 370,744	\$ 3,078,315
Payroll taxes and employee benefits (Note 11)	76,892	58,013	115,098	138,436	46,504	50,785	485,728	40,845	67,711	594,284
Total Salaries and Related Costs	503,286	322,097	695,254	720,576	270,147	335,831	2,847,191	386,953	438,455	3,672,599
Independent contractors	2,660	-	-	-	-	-	2,660	-	-	2,660
Professional fees (Note 2J)	31,824	49,066	27,047	58,354	10,807	28,407	205,505	74,257	138,160	417,922
Volunteers (Note 2J)	-	-	-	268	563	-	831	-	2,024	2,855
Emergency and family assistance	-	8,041	4,915	5,931	196,508	-	215,395	-	-	215,395
Client events, classes and activities	247	2,047	3,955	2,923	-	93	9,265	-	138	9,403
Supplies	13,555	20,816	4,746	9,964	3,986	9,297	62,364	1,168	236,000	299,532
Printing and publications	728	960	6,587	2,314	785	1,151	12,525	3,968	91,300	107,793
Telephone	4,577	6,659	8,639	2,863	1,282	2,164	26,184	3,834	1,152	31,170
Travel	1,967	3,470	3,343	2,011	947	27	11,765	2,048	385	14,198
Conferences, in-service and meetings	3,288	3,541	6,356	6,265	2,537	828	22,815	9,190	8,598	40,603
Utilities	5,562	6,953	8,198	21,423	7,866	9,839	59,841	4,023	3,803	67,667
Equipment leases and repairs	1,066	1,671	2,930	3,371	1,298	5,363	15,699	1,840	1,356	18,895
Building expense	4,562	5,703	6,724	17,566	6,452	8,070	49,077	3,299	3,119	55,495
Insurance	6,943	7,892	10,858	24,208	8,895	13,783	72,579	4,624	4,336	81,539
Special event costs	-	-	-	-	-	-	-	-	235,746	235,746
Bad debt expense	-	-	-	-	-	-	-	23,035	1,000	24,035
Miscellaneous	19,153	203	945	3,209	214	6,071	29,795	7,644	13,716	51,155
Subtotal before costs of direct benefits to donors and depreciation	599,418	439,119	790,497	881,246	512,287	420,924	3,643,491	525,883	1,179,288	5,348,662
Less: costs of direct benefits to donors	-	-	-	-	-	-	-	-	(182,630)	(182,630)
Subtotal before depreciation	599,418	439,119	790,497	881,246	512,287	420,924	3,643,491	525,883	996,658	5,166,032
Depreciation (Note 6)	11,465	17,374	29,101	37,574	14,338	22,046	131,898	21,499	13,471	166,868
TOTAL EXPENSES	\$ 610,883	\$ 456,493	\$ 819,598	\$ 918,820	\$ 526,625	\$ 442,970	\$ 3,775,389	\$ 547,382	\$ 1,010,129	\$ 5,332,900

The accompanying notes are an integral part of these financial statements.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (425,652)	\$ 1,147,543
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	158,728	166,868
Bad debt - third party payors	68,933	24,035
Net realized and unrealized gain on investments	(105,113)	(1,832)
Subtotal	(303,104)	1,336,614
Changes in operating assets and liabilities:		
Decrease (Increase) in assets:		
Pledges receivable	1,582,914	(2,184,581)
Grants receivable	(60,479)	78,618
Receivables from third party payors	(72,271)	(58,509)
Prepaid expenses and other current assets	225	3,204
Increase in liabilities:		
Accounts payable and accrued expenses	28,733	65,676
Government advances	33,904	75,086
Net Cash Provided by (Used in) Operating Activities	1,209,922	(683,892)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investment sales	104,616	561,650
Purchase of investments	(62,878)	(325,669)
Net Cash Provided by Investing Activities	41,738	235,981
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,251,660	(447,911)
Cash and cash equivalents - beginning of year	838,077	1,285,988
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,089,737	\$ 838,077

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Little Sisters of the Assumption Family Health Service, Inc. (the “Agency”) is a nonprofit agency incorporated in the State of New York dedicated to providing services to the families of East Harlem. The Agency’s services and programs include the following:

- **Community Health and Wellness:**
 - Advocacy & Food Pantry programs help families in financial need meet their immediate need for food and address the longer-term issues that keep people in poverty.
 - Asthma and Environmental Health Services serve asthmatic children in East Harlem whose illness can be improved by mitigating triggers in the indoor air environment. The Agency does this through hands-on home-visits by skilled environmental workers, family training and community workshops.
 - Nursing, through the Agency’s Certified Home Health Agency Program (CHHA), provides direct nursing care to patients at home. The program specializes in Maternity Outreach (prenatal and postpartum care and follow-up care to newborns), parenting and breastfeeding classes, and supporting wellness and nurturing relationships between mother and child.
- **Family Support programs:**
 - Parenting & Child Development works with parents to keep very young children (up to age 3) developmentally on track through home visits and socialization groups, and provides academic enrichment and social/emotional supports to school age children in grades K-3.
 - Preventive Services is a family support program that strengthens family functioning to avoid placement of children in foster care. Key program components include counseling, referrals for specialized treatment, help with parenting and daily life management skills, and follow-up with education, health care, housing, entitlements, and more, based on the needs of the family.
 - The Sharing Place Thrift Store is East Harlem’s popular destination for those in need of good quality, bargain-priced clothing and housewares. It’s where anyone with a meager budget can shop with dignity, meet their neighbors, build community, and learn about the Agency’s programs.
- **Delivery System Reform Incentive Payment (“DSRIP”)** is the main mechanism by which New York State will implement the Medicaid Redesign Team (“MRT”) and waiver amendment. DSRIP’s purpose is to fundamentally restructure the health care delivery system. The Agency is a member of two Performance Provider Systems (“PPS”) affiliated with Mount Sinai and One City Health which is paid through DSRIP. With respect to Mount Sinai PPS, the Agency is actively participating in: 1) an Integrated Delivery System project and 2) Hospital Home Care Collaboration Solutions. In regard to One City Health, the Agency is actively participating in: 1) Integrated Delivery Systems Project, 2) Asthma Program, 3) Cultural Competency and Health Literacy Project.
- **Maternity & Infant Help Project** works to improve maternal and infant health outcomes in East and Central Harlem. The program will provide assistance with breastfeeding, women’s health, toxic stress and trauma services.
- A thrift store provides used clothing at affordable prices primarily to neighborhood and community residents of East Harlem.

The Agency is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code (the “Code”) and comparable state law; contributions to the Agency are tax deductible within the limitations prescribed by the Code. The Agency has been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Agency presents its financial statements on the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. The Agency considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. Cash equivalents held in investment broker accounts are included with investments on the statements of financial position.
- C. Investments are reported at fair value. Unrealized and realized gains and losses and investment income are reported in the statements of activities in investment activity as increases or decreases in net assets without donor restrictions, unless there are donor restrictions for the use of investment income.

Fair value measurements are 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 levels, as described in Note 5.

- D. The Agency's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Agency's net assets and changes therein are classified and reported as follows:
- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, or have been reclassified from net assets with donor imposed restrictions because donor imposed restrictions have been removed or expired. As of December 31, 2019 and 2018, the Agency's Board of Directors has authorized an operating fund without donor restrictions of \$1,000,000 to sustain its programs and provide for operating and other expenses at the discretion of the Board and has been classified as Board designated.
 - With donor restrictions – Net assets subject to donor imposed stipulations, including stipulations that will be met either by actions of the Agency, and unappropriated endowment earnings. Earnings on endowments are recorded as donor restricted until the Board has appropriated the earnings for expenditure, at which time the earnings are classified as net assets without donor restrictions.
- E. Government grants are recognized as revenue when the expenses authorized under the contract are incurred. When authorized expenses are not reimbursed in the same time period in which they are incurred, the revenue is reflected as a receivable. Amounts received by the Agency under government grants for which the Agency has not yet met the conditions are reported as government advances on the statements of financial position.

As of December 31, 2019 and 2018, the Agency received conditional grants and contracts from government agencies in the aggregate amount of \$703,278 and \$664,725, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require the Agency to provide services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Agency may be required to return the funds already remitted.

- F. The Agency's Certified Home Health Program reports net patient service revenue and fees for service at the estimated net realizable amounts due from third-party payers for services in the period in which they are rendered. Generally, the Agency bills government agencies, third-party payors and individuals after the services are performed or has completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Approximately 76% and 50% of net service revenue for years ended December 31, 2019 and 2018, respectively, was derived under federal, state and city third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective governmental fiscal intermediaries. Provision for estimated amounts due to-from the payor agencies, if any, has been made in the financial statements. Differences between estimated rates and subsequent realized amounts are reflected in the statements of activities in the year revisions are calculated. In 2019 and 2018, the Agency established an allowance for doubtful accounts on its receivables from third-party payors in the amounts of \$67,933 and \$42,892, respectively. The allowance is estimated by management based on general factors, such as aging of the receivables, and historical collection experience.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Performance Obligation - Performance obligations are determined based on the nature of the services provided by the Agency in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Agency measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of December 31, 2019. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Agency determines the transaction price based on established rates and contracts for services provided.

Net service revenue consist of revenues for the following programs:

General Nursing	\$ 156,728
Other	<u>100</u>
	<u>\$ 156,828</u>

G. Contributions to the Agency that are not restricted by the donor are reported as increases in net assets without donor restrictions in the fiscal year in which the contributions are received. All donor-restricted contributions are reported as increases in net assets with donor restrictions (including capital campaign contributions). Contributions of fixed assets are recorded as support without donor restrictions. Capital campaign contributions which exceeded the cost of the construction of the new building are intended to be used for major building repairs in the future and are treated as net assets with donor restrictions until the funds are spent, at which time, the donations will be reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. As of December 31, 2019 and 2018, the balances of unspent funds from the capital campaign were \$149,936 and \$193,057, respectively.

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value, and if material, multiyear pledges are recorded at the present value of estimated future cash flows. Historically, the Agency has not experienced significant bad debt losses from pledges. The Agency bases its allowance for doubtful pledges on its historical loss experience considering the age of the receivables. The Agency has determined that no allowance for pledges receivable was necessary as of December 31, 2019 and 2018. Conditional promises to give are not included as support until the condition is substantially met.

H. The direct cost of special events includes expenses for the benefit of the donor. For example, meals, facilities and rental are considered direct costs of special events.

I. 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 salaries, payroll taxes and employee benefits, supplies, printing and publications, telephone, conferences, trainings and meetings, equipment leases and repairs, insurance and miscellaneous expenses, which are allocated on the basis of estimates of time and effort. Building related expenses including utilities, repairs, maintenance, property insurance and depreciation expenses are allocated on the basis of square footage per spaced used by each department.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Donated services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Agency received a substantial amount of services donated by volunteers in carrying out its activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. The Agency records an expense associated with the volunteers to whom the Agency pays a stipend for living expenses. The expenses associated with these volunteers for the years ended December 31, 2019 and 2018 amounted to \$6,509 and \$2,855, respectively. Donated securities, donated goods and services are measured at fair value at date of receipt. Donated securities amounted to \$53,533 and \$319,467 for the years ended December 31, 2019 and 2018, respectively, and are included in individual donations in the accompanying statements of activities. The donated goods and services for the years ended December 31 are as follows:

	2019	2018
Donated goods	\$ 187,431	\$ 236,034
Donated professional services	14,576	12,739
Total donated goods and services	\$ 202,007	\$ 248,773

K. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. The CHHA Program provides care to patients regardless of whether or not there is insurance or any other source of reimbursement. Because this charity care is not expected to be paid, no revenue is reported. Amounts of charity care provided were approximately \$129 and \$950 in 2019 and 2018, respectively.

M. Property and equipment are stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets generally from 5 to 50 years. The Agency capitalizes property and equipment in excess of \$1,000.

N. Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers” (Topic 606) was adopted by the Agency for the year ended December 31, 2019. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as described in Note 2F.

FASB ASU 2018-08, “Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made” (Topic 958) was also adopted by the Agency for the year ended December 31, 2019. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional. As a result of the adoption, there was no effect to net assets as previously reported.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Agency strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Agency’s financial assets as of December 31, 2019, reduced by any amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

Cash and cash equivalents	\$ 2,089,737
Pledges receivable, net	859,635
Grants receivable	284,357
Receivables from third-party payors	66,359
Investments, at fair value	<u>522,848</u>
 Total financial assets	 3,822,936
 Less: Cash and investments held for endowments	 1,257,964
Less: Pledges receivable due in more than one year	<u>371,369</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 2,193,603</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of the Agency's programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. The Agency's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is used for operations if appropriated. The endowment is subject to an annual spending rate of up to 7% as described in Note 10.

NOTE 4 – PLEDGES RECEIVABLE, NET

Pledges receivable are unconditional promises to give, and consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Contributions receivable due in:		
Less than one year	\$ 488,266	\$ 1,295,998
One to five years	<u>390,000</u>	<u>1,222,500</u>
Total contributions receivable	878,266	2,518,498
Unamortized discount to present value	<u>(18,631)</u>	<u>(75,949)</u>
Contributions receivable, net	<u>\$ 859,635</u>	<u>\$ 2,442,549</u>

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate ranging from 1.6% to 2.84%.

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at December 31 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Equities	\$ 365,625	\$ 299,044
US Treasury Bonds and Notes	65,050	65,875
Corporate Bonds	23,828	23,562
Money Market Funds	43,581	47,807
Exchange Traded Funds	14,800	14,035
REIT	<u>9,964</u>	<u>9,150</u>
 Total Investments	 <u>\$ 522,848</u>	 <u>\$ 459,473</u>

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments are classified in the following net asset categories as of December 31:

	<u>2019</u>	<u>2018</u>
With donor restrictions – endowment	\$ 192,300	\$ 192,300
With donor restrictions – earnings on endowment	43,164	-
With donor restrictions – capital campaign	149,936	193,057
Without donor restrictions	<u>137,448</u>	<u>74,116</u>
	<u>\$ 522,848</u>	<u>\$ 459,473</u>

The following table summarizes investment activity for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 11,941	\$ 13,573
Investment fees	(3,785)	(5,379)
Realized and unrealized gain on Investments	<u>105,113</u>	<u>1,832</u>
	<u>\$ 113,269</u>	<u>\$ 10,026</u>

FASB ASC 820, “Fair Value Measurement,” provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Money market funds are valued at the net asset value (“NAV”) at a constant \$1.00 per share, of which, only the yield goes up and down. Investments in U.S. equities, exchange traded funds, and REIT are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes in active exchange markets involving identical assets. Level 1 also includes U.S. Treasury and U.S. Agency bonds and notes, which are traded by dealers or brokers in active markets. Corporate bonds are designated as Level 2 instruments if valuations are obtained from readily-available pricing sources for comparable instruments (credit risk/grade, maturities, etc.).

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The Agency's policy is to recognize transfers into and out of Levels as of the date of the transaction or change in circumstances that caused the transfer. For the years ended December 31, 2019 and 2018, there were no transfers in or out of levels 1, 2 or 3.

Financial assets carried at fair value at December 31, 2019 are classified in the table in two of the three levels as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE			
Investments:			
Money Market Funds	\$ 43,581	\$ -	\$ 43,581
U.S. Equities	365,625	-	365,625
U.S. Treasury Bonds and Notes	65,050	-	65,050
Corporate Bonds	-	23,828	23,828
Exchange Traded Funds	14,800	-	14,800
REIT	9,964	-	9,964
TOTAL ASSETS CARRIED AT FAIR VALUE	<u>\$ 499,020</u>	<u>\$ 23,828</u>	<u>\$ 522,848</u>

Financial assets carried at fair value at December 31, 2018 are classified in the table in two of the three levels as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE			
Investments:			
Money Market Funds	\$ 47,807	\$ -	\$ 47,807
U.S. Equities	299,044	-	299,044
U.S. Treasury Bonds and Notes	65,875	-	65,875
Corporate Bonds	-	23,562	23,562
Exchange Traded Funds	14,035	-	14,035
REIT	9,150	-	9,150
TOTAL ASSETS CARRIED AT FAIR VALUE	<u>\$ 435,911</u>	<u>\$ 23,562</u>	<u>\$ 459,473</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	<u>2019</u>	<u>2018</u>	<u>Estimated Useful Lives</u>
Land	\$ 572,119	\$ 572,119	-
Building	5,384,692	5,384,692	20 years
Furniture and equipment	470,764	470,764	5-20 years
Vehicles	42,705	42,705	5 years
Total cost	6,470,280	6,470,280	
Less: accumulated depreciation	<u>(2,666,473)</u>	<u>(2,507,745)</u>	
Net book value	<u>\$ 3,803,807</u>	<u>\$ 3,962,535</u>	

Depreciation expense amounted to \$158,728 and \$166,868 for the years ended December 31, 2019 and 2018, respectively.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 7 – RECEIVABLES FROM THIRD PARTY PAYORS, NET

The Agency provides credit without collateral to its patients and clients, most of whom are local residents and are insured under third-party payor agreements. As of December 31, receivables from third-party payors were as follows:

	<u>2019</u>	<u>2018</u>
Medicaid	\$ 13,725	\$ 31,511
Medicare	96,270	36,831
Other	<u>24,297</u>	<u>37,571</u>
	134,292	105,913
Less: allowance for doubtful accounts	<u>(67,933)</u>	<u>(42,892)</u>
	<u>\$ 66,359</u>	<u>\$ 63,021</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

- A. The Agency leases equipment under operating leases. Future minimum payments due under the leases for the years after December 31, 2019 are as follows:

2020	\$ 16,796
2021	<u>16,606</u>
2022	<u>\$ 33,402</u>

Rental expense for equipment leases charged to operations for 2019 and 2018 was \$15,888 and \$14,771, respectively, and is included in equipment leases and repairs on the accompanying statements of functional expenses.

- B. The Agency believes it has no uncertain tax positions as of December 31, 2019 and 2018 in accordance with Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 9 – NET SERVICE REVENUE

Revenue from third-party payors for the years ended December 31 was as follows:

	<u>2019</u>	<u>2018</u>
Medicaid	\$ 16,366	\$ 26,957
Medicare	102,631	36,831
Other	<u>37,831</u>	<u>64,809</u>
	156,828	128,597
	<u>\$ 156,828</u>	<u>\$ 128,597</u>

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from restrictions during the years ended December 31 by incurring expenses or the passage of time, thus satisfying the restricted purpose are as follows:

	<u>2019</u>	<u>2018</u>
Asthma and Environment	\$ 151,110	\$ 146,266
Home Health Agency:		
Maternity Outreach	233,803	87,233
Early Childhood:		
Home Based Socialization	452,527	474,217
Advocacy	28,020	3,487
Administrative and Development	44,504	23,318
Appropriated earnings from endowment	-	3,379
Capital Campaign (Note 2G)	<u>43,121</u>	<u>-</u>
Total	<u>\$ 953,085</u>	<u>\$ 737,900</u>

Net assets with donor restrictions are available for the following as of December 31:

	<u>2019</u>	<u>2018</u>
Subject to expenditures for the specified purpose:		
Home Health Agency		
General Nursing	\$ 5,346	\$ 5,346
Maternity Outreach	62,488	73,790
Early Childhood:		
Home Based Socialization	360,570	258,231
Asthma and Environment	142,478	115,588
Advocacy	31,289	16,316
Administrative and Development	84,554	129,057
Capital Campaign (Note 2G)	149,936	193,057
Unappropriated earnings from endowment	43,164	-
Endowment principal held in perpetuity:		
The Doyle Endowment	100,000	100,000
The McInerney Endowment	92,300	92,300
Ensuring our Future Campaign Endowments	<u>1,022,500</u>	<u>1,022,500</u>
Total	<u>\$ 2,094,625</u>	<u>\$ 2,006,185</u>

The Agency recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) on September 17, 2010. NYPMIFA replaced the prior law, which was the Uniform Management of Institutional Funds Act (“UMIFA”). In addition, NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7 percent of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restriction by the donor will be reflected as net assets with donor restrictions until appropriated.

The Agency’s Board has interpreted NYPMIFA as allowing the Agency to appropriate for expenditure or accumulate so much of an endowment fund as the Agency determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restriction.

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor restricted funds that fall below the level the donor requires the Agency to retain in perpetuity. The deficiencies may result from unfavorable market fluctuations that occurred in the economy as a whole that may have affected the donor restricted fund where the fair value of the donor restricted fund fell below the amount that is required to be retained in perpetuity. As of December 31, 2019 and 2018, the Agency had not incurred a deficiency in its donor-restricted endowment funds.

The Agency's endowment investment policy is to invest primarily in a mix of equities and fixed-income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. The Agency 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).

Changes in endowment net assets consisted of the following for year ended December 31, 2019:

	<u>Endowment Earnings</u>	<u>Endowment principal held in Perpetuity</u>	<u>Total Endowment Investments</u>
Endowment net assets, beginning of year	\$ -	\$ 1,214,800	\$ 1,214,800
Investment activity:			
Unrealized gain on investments	43,164	-	43,164
Total investment activity	43,164	-	43,164
Earnings appropriated for expenditure	-	-	-
Endowment net assets, end of year	\$ 43,164	\$ 1,214,800	\$ 1,257,964

Changes in endowment net assets consisted of the following for year ended December 31, 2018:

	<u>Endowment Earnings</u>	<u>Endowment principal held in Perpetuity</u>	<u>Total Endowment Investments</u>
Endowment net assets, beginning of year	\$ -	\$ 192,300	\$ 192,300
Additions	-	1,022,500	1,022,500
Investment activity:			
Unrealized gain on investments	3,379	-	3,379
Total investment activity	3,379	-	3,379
Earnings appropriated for expenditure	(3,379)	-	(3,379)
Endowment net assets, end of year	\$ -	\$ 1,214,800	\$ 1,214,800

Endowment net assets are included with investments on the accompanying statements of financial position as of December 31, 2019 and 2018.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 11 – PENSION PLAN

The Agency has established a tax deferred annuity plan (the “Annuity Plan”) under Section 403(b) of the Code and a defined contribution plan (the “Plan”) under Section 401(a) of the Code, for its employees. All employees, excluding religious personnel, are eligible to participate. Under the Plan, the Agency contributed 5% of the eligible salaries into the Plan, annually. Effective April 1, 2012, the Agency amended the Plan and no longer contributes a percentage of eligible salaries. An employee becomes eligible to participate in the Plan at the beginning of the completion of the first year of continuous service, and becomes fully vested after three years. The Agency did not make contributions to the Plan in the years ended December 31, 2019 and 2018. Under the Annuity Plan, an employee becomes eligible at any time the employee wishes to participate and is fully and immediately vested at that time. The Agency is not required to make contributions to the Annuity Plan.

NOTE 12 – CONCENTRATIONS

- A. Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts with one bank that exceed the Federal Deposit Insurance Corporations (“FDIC”) insurance limits by approximately \$1,851,000 and \$609,000 as of December 31, 2019 and 2018, respectively. This excess includes outstanding checks. Cash accounts with participating banks are insured up to \$250,000 per depositor.
- B. During the year ended December 31, 2018, the Agency received a multi-year pledge from one donor totaling \$2,050,000 which represented approximately 32% of total revenue for the year ended December 31, 2018. Outstanding pledges receivable from this single donor as of December 31, 2018 represented approximately 26% of total assets as of December 31, 2018.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 12, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Agency could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Agency’s mission, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Agency cannot predict the extent to which its financial condition and results of operations will be affected.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Agency’s employees. The Agency applied for this loan through an SBA authorized lender and received \$554,700 in May 2020.

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
GENERAL PREVENTIVE
PROGRAM BUDGET IDENTIFICATION #CT1068201600000275
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>FINAL APPROVED BUDGET</u>	<u>AGENCY ACTUAL AMOUNTS</u>	<u>VARIANCE</u>	<u>QUESTIONED COSTS</u>
<u>REVENUES:</u>				
ACS	\$ 914,900	\$ 770,832	\$ 144,068	\$ -
<u>EXPENDITURES</u>				
PS expenditures:				
Salary	632,927	533,175	99,752	-
Fringes	158,041	127,573	30,468	-
Total PS expenditures	<u>790,968</u>	<u>660,748</u>	<u>130,220</u>	<u>-</u>
OTPS EXPENDITURES	<u>40,760</u>	<u>40,009</u>	<u>751</u>	<u>-</u>
Total OTPS expenditures	<u>40,760</u>	<u>40,009</u>	<u>751</u>	<u>-</u>
Total PS and OTPS expenditures	<u>831,728</u>	<u>700,757</u>	<u>130,971</u>	<u>-</u>
Administrative overhead	<u>83,172</u>	<u>70,075</u>	<u>13,097</u>	<u>-</u>
TOTAL EXPENDITURES	<u>914,900</u>	<u>770,832</u>	<u>144,068</u>	<u>-</u>
(Less) Questioned costs				
TOTAL ALLOWABLE COSTS	<u>914,900</u>	<u>770,832</u>	<u>144,068</u>	<u>-</u>
(Deficiency) Excess of Revenue Over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
GENERAL PREVENTIVE
PROGRAM BUDGET IDENTIFICATION #CT106820160000275
SCHEDULE OF SALARIES
FOR THE YEAR ENDED JUNE 30, 2019

Employee Identification Code	Title	FTE	Original Budgeted Salary	Salary Increase	Career Ladder	Total Budgeted Salaries	Salary Paid	Variance
2160294	Program Director	1.00	\$ 104,373	\$ 6,060	\$ -	\$ 110,433	\$ 100,847	\$ 9,586
2160295	Supervisor	1.00	69,578	14,882	-	84,460	76,325	8,135
2162093	Intake Specialist	1.00	46,922	1,078	-	10,690	10,690	-
2695335	Intake Specialist	1.00	-	-	-	28,432	24,550	3,882
3180006	Intake Specialist	1.00	-	-	-	6,878	6,878	-
3180006	Case Planner	1.00	-	-	-	10,833	10,833	-
2695335	Case Planner	1.00	-	-	-	7,838	7,838	-
2599617	Case Planner	1.00	-	-	-	2,650	2,650	-
3001909	Case Planner	1.00	46,922	-	-	18,720	14,614	4,106
3130930	Case Planner	1.00	-	-	-	9,531	9,531	-
3207487	Case Planner	1.00	-	-	-	5,193	5,193	-
2580946	Case Planner	1.00	42,656	1,023	-	43,679	43,679	-
3237895	Case Planner	1.00	41,616	-	-	18,691	3,846	14,845
3130950	Case Planner	1.00	-	-	-	12,277	12,277	-
2997983	Case Planner	1.00	-	-	-	14,382	14,382	-
3207682	Case Planner	1.00	39,535	-	-	17,668	10,419	7,249
3222320	Case Planner	1.00	-	-	-	6,462	6,462	-
2695591	Case Planner	1.00	-	-	-	45,974	9,267	36,707
2541819	Case Planner	1.00	-	-	-	2,805	2,805	-
2599617	Administrative Assistant	1.00	36,165	2,020	-	38,185	38,185	-
2945835	Case Aide	1.00	34,125	-	-	26,125	21,187	4,938
3206782	Case Aide	1.00	-	-	-	8,000	8,000	-
2541819	Conference Facilitators	1.00	41,576	-	11,445	53,021	52,164	857
2695591	Quality Assurance	1.00	-	-	-	50,000	40,553	9,447
	Training	1.00	5,000	-	-	-	-	-
2695591	Case Planner to QA/QI		-	-	5,920	-	-	-
TOTAL		25.00	<u>\$ 508,468</u>	<u>\$ 25,063</u>	<u>\$ 17,365</u>	<u>\$ 632,927</u>	<u>\$ 533,175</u>	<u>\$ 99,752</u>

Total FTE of Case Planners	<u>14</u>
Total FTE of Supervisors	<u>1</u>
Supervisory Ratio:	<u>0.07</u>
Total FTE of QA/QI on staff	<u>1</u>
Total FTE of Case Aids	<u>2</u>

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
GENERAL PREVENTIVE
PROGRAM BUDGET IDENTIFICATION #CT1068201600000275
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Description</u>	<u>Final Approved Budgeted</u>	<u>Actual</u>	<u>Actual Fringe % of Total Salary Cost</u>	<u>Variance</u>
FICA	\$ 49,299	\$ 40,788	8%	\$ 8,511
Health	45,544	38,720	7%	6,824
Workers' Compensation	12,889	5,132	1%	7,757
Unemployment	12,889	9,803	2%	3,086
Retirement/Pension	4,290	-	0%	4,290
Other	33,130	33,130	6%	-
TOTAL	\$ 158,041	\$ 127,573	24%	\$ 30,468

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
 GENERAL PREVENTIVE
 PROGRAM BUDGET IDENTIFICATION #CT1068201600000275
 SCHEDULE OF FIXED ASSETS INVENTORY
 FOR THE YEAR ENDED JUNE 30, 2019

Schedule of Furniture and Equipment Inventory
 June 30, 2019

Current Year Purchases purchased between 7/1/18 and 6/30/19:

Description	Quantity	Serial # or Asset Tag #	Date Purchased or Acquired	Condition	Date Sold or Disposed	Total Cost	% Allocated to the CT	% Allocated to Other ACS CTs	% Allocated to non-ACS CTs	This CT Cost
Desktop Computer, keyboard and mouse	1	37Q9JV2	4/11/2019	New		562	100%			\$ 562
Desktop Computer, keyboard and mouse	1	37QBJV2	4/11/2019	New		562	100%			562
Desktop Computer, keyboard and mouse	1	37SCJV2	4/11/2019	New		562	100%			562
Desktop Computer, keyboard and mouse	1	37NBJV2	4/11/2019	New		562	100%			562
Desktop Computer, keyboard and mouse	1	37VDJV2	4/11/2019	New		562	100%			562

Grand Total \$ 2,810

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
GENERAL PREVENTIVE
PROGRAM BUDGET IDENTIFICATION #CT1068201600000275
SCHEDULE OF QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Detailed Explanation of Questioned Costs</u>	<u>Questioned Costs</u>
<p><u>Budget Line Category</u> Please provide a detailed explanation of the questioned costs. Include such items as vendor name, why costs are being questioned and how the questioned costs were determined.</p>	\$ -
<p><u>Budget Line Category</u> N/A</p>	
TOTAL QUESTIONED COSTS	\$ -

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.
GENERAL PREVENTIVE
PROGRAM BUDGET IDENTIFICATION #CT1068201600000275
SCHEDULE OF QUANTITATIVE PROGRAM RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

QUANTIFIABLE INDICATORS

Number of open cases at beginning of period 6/30/18 as previously reported	37
Adjustment to open cases	19
Number of open cases at beginning of period 6/30/18	56
Number of new cases during audit period 7/1/18 - 6/30/19	49
Number of cases serviced during audit period 7/1/18 - 6/30/19	105
Cases terminated 7/1/18 - 6/30/19	62
Cases open as of current year 6/30/19	43
Case to case worker ratio	7.5