

STAMFORD ELDERLY HOUSING CORPORATION

22 Clinton Avenue
Stamford, Connecticut 06901

NOTICE OF BOARD MEETING

March 27, 2024

6:00 p.m.

To: Rich Ostuw
John Coff
Lester McKoy
Divya Malhotra
Alex Morris

- a. Call to Order
- b. Approve Minutes of September 27, 2023
- c. Resolution:

24-S-01: Approve 2023 Audit for Scofield Manor
- d. Adjourn

MINUTES OF THE MEETING OF
THE DIRECTORS OF THE
STAMFORD ELDERLY HOUSING CORPORATION
SEPTEMBER 27, 2023

The Board of Directors of the Stamford Elderly Housing Corporation held a meeting on Wednesday, September 27, 2023, in-person at 40 Clinton Avenue and via Zoom.

The meeting was called to order by Director Ostuw at 6:02 p.m.

A. Attendees

Present: Rich Ostuw
Lester McKoy
John Coff
Sheila Williams-Brown

Advisory Board: Ronice Latta
Jaclyn Williams

Present: Natalie Coard
Jon Gottlieb
Sam Feda
Jackie Figueroa
Beth Janney
Ken Montanez
Darnel Paulemon
Megan Shutes
Peter Stothart
Jan Tantimonico
Michele Tarulli
Rob Velez
Chris Warren
Christine Young

B. Approval of Minutes

Approval of minutes of the previous meeting of March 22, 2023.

➤ Director Ostuw moved, Director Coff seconded.

The minutes were approved.

Ayes:	Rich Ostuw	Nays:	None
	Lester McKoy		
	John Coff		
	Sheila Williams-Brown		

C. Resolution

23-S-02: Approve 2023/2024 Operating Budget for Scofield Manor

➤ Director Ostuw moved, Director McKoy seconded.

The Resolution was passed.

Be it resolved by the Directors of the Stamford Elderly Housing Corporation that the 2023/2024 Annual Operating Budget for Scofield Manor is approved.

Ayes: Rich Ostuw
Lester McKoy
John Coff
Sheila Williams-Brown

Nays: None

D. Adjournment

At 6:07 p.m., as there was no other business before the Board, the meeting was adjourned after a motion duly made by Director Ostuw and seconded by Director Williams-Brown.

STAMFORD ELDERLY HOUSING CORPORATION

22 Clinton Avenue
Stamford, Connecticut 06901

Board Meeting Date: March 27, 2024

Resolution Number: 24-S-01

RESOLUTION

Subject: Accept the Audited Financial Statements for Year Ended September 30, 2023 for Scofield Manor

Background: An audit of the accounting records, financial reports, internal controls and compliance requirements of Stamford Elderly Housing Corporation on Scofield Manor has been performed for the period October 1, 2022, through September 30, 2023. The auditing firm, Whittlesey, has issued an unmodified opinion on the Housing Authority's Financial Statements for this audit period.

Resolution: Be it resolved by the Board of Commissioners of the Housing Authority of the City of Stamford that the year ending September 30, 2023, Financial Statements of Scofield Manor are accepted.

Lisa Reynolds
Submitting Report

SCOFIELD MANOR

Independent Auditors' Report

Financial Statements

September 30, 2023 and 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Scofield Manor

Opinion

We have audited the accompanying financial statements of Scofield Manor (a residential care home operated by the Stamford Elderly Housing Corporation), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scofield Manor as of September 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scofield Manor to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

Other Matter – Presentation

The financial statements presented herewith are limited to the operations of Scofield Manor. The accompanying financial statements are not intended to present the financial position of Stamford Elderly Housing Corporation as of September 30, 2023 and 2022 or the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scofield Manor's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Scofield Manor's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Scofield Manor's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit opinion.



Hartford, Connecticut
January 26, 2024

SCOFIELD MANOR

Statements of Financial Position

September 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 149,637	\$ 103,878
Resident accounts receivable, net of allowance for doubtful accounts of \$33,219 in 2023 and \$17,481 in 2022	144,213	149,655
Grants receivable	230,000	234,707
Prepaid expenses	33,237	45,016
Total current assets	557,087	533,256
Restricted reserves and deposits:		
Replacement reserve	45,949	45,096
Operating reserve	19,580	19,217
Residents' funds	23,431	20,661
Marie R. White fund	5,639	5,534
Total restricted reserves and deposits	94,599	90,508
Property and equipment, net	323,849	295,536
Total assets	\$ 975,535	\$ 919,300
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 58,813	\$ 96,050
Accrued payroll and related expenses	16,645	13,762
Accrued vacation	36,966	42,740
Due to residents	23,431	20,661
Due to related party	31,724	169,472
Due to third-party payers	343,803	222,409
Total current liabilities	511,382	565,094
Net assets		
Without donor restrictions:		
Undesignated	392,985	284,359
Board designated - replacement reserve	45,949	45,096
Board designated - operating reserve	19,580	19,217
Board designated - Marie R. White fund	5,639	5,534
Total net assets without donor restrictions:	464,153	354,206
Total liabilities and net assets	\$ 975,535	\$ 919,300

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

SCOFIELD MANOR

Statements of Activities and Changes in Net Assets

For the years ended September 30, 2023 and 2022

	2023	2022
Revenue		
Gross potential resident services	\$ 2,550,653	\$ 2,416,691
Vacancy loss	(159,977)	(253,851)
Net resident services revenue	2,390,676	2,162,840
Grant income - City of Stamford	230,000	230,000
Grant income - Other	45,824	15,275
Contributed use of facility	170,246	164,967
Food service	218,652	210,732
Other revenue	1,470	39
Total revenue	3,056,868	2,783,853
Expenses		
Resident services:		
Ordinary	1,829,573	1,759,168
COVID-19-related	-	36,485
Total resident services	1,829,573	1,795,653
Property and maintenance	629,196	542,487
General and administrative	536,399	502,732
Total expenses	2,995,168	2,840,872
Change in net assets from operations	61,700	(57,019)
Other changes		
Community Development Block Grant	48,247	219,432
Change in net assets	109,947	162,413
Net assets, beginning of year	354,206	191,793
Net assets, end of year	\$ 464,153	\$ 354,206

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

SCOFIELD MANOR

Statements of Functional Expenses

For the years ended September 30, 2023 and 2022

	2023	2022
Program services		
Resident services		
Ordinary resident services		
Salaries and wages	\$ 665,048	\$ 650,724
Employee benefits and payroll taxes	387,952	420,648
Food service	605,307	539,956
Contracted services	142,347	121,888
Materials and supplies	28,919	25,952
Total ordinary resident services	1,829,573	1,759,168
COVID-19-related resident services		
Contracted services	-	36,445
Materials and supplies	-	40
Total COVID-19-related resident services	-	36,485
Total resident services	1,829,573	1,795,653
Property and maintenance		
Salaries and wages	48,871	43,780
Employee benefits and payroll taxes	36,484	37,044
Contracted services	191,077	115,355
Utilities	120,817	124,181
Depreciation	29,004	37,399
Donated use of facility	170,883	164,967
Materials and supplies	14,423	12,401
Insurance	17,637	7,360
Total property and maintenance	629,196	542,487
Total program services	2,458,769	2,338,140
General and administrative		
Salaries and wages	159,157	136,188
Employee benefits and payroll taxes	78,297	79,434
Contracted services	34,465	50,463
Management fees	155,951	143,187
Legal and accounting	30,516	25,098
Insurance	32,434	34,132
Office supplies and expense	28,863	28,456
Membership dues and subscriptions	978	951
Provision for bad debts	15,738	4,823
Total general and administrative	536,399	502,732
Total expenses	\$ 2,995,168	\$ 2,840,872

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

SCOFIELD MANOR

Statements of Cash Flows

For the years ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 109,947	\$ 162,413
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Provision for bad debts	15,738	4,823
Depreciation	29,004	37,399
Changes in operating assets and liabilities:		
Resident accounts receivable	(10,296)	(41,369)
Food service receivable	-	3,576
Grants receivable	4,707	128,205
Prepaid expenses	11,779	(40,634)
Accounts payable	(37,237)	825
Accrued payroll and related expenses	2,883	4,271
Accrued vacation	(5,774)	9,056
Due to residents	2,770	5,039
Due to related party	(137,748)	(388,401)
Due to third-party payers	121,394	121,391
Net change in cash from operating activities	107,167	6,594
Cash flows from investing activities		
Payments for property and equipment	(57,317)	(13,374)
Net change in cash from investing activities	(57,317)	(13,374)
Net change in cash	49,850	(6,780)
Cash and restricted cash, beginning of year	194,386	201,166
Cash and restricted cash, end of year	\$ 244,236	\$ 194,386
Reconciliation to cash and restricted cash		
Cash	\$ 149,637	\$ 103,878
Restricted reserves and deposits	94,599	90,508
Total cash and restricted cash	\$ 244,236	\$ 194,386

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

SCOFIELD MANOR

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

NOTE 1 – SUMMARY OF ORGANIZATION

Nature of Operations

Scofield Manor (the "Facility") is a residential care home operated by Stamford Elderly Housing Corporation ("SEHC") pursuant to an operating lease agreement dated October 1, 1989 between the City of Stamford ("City" or "Lessor") and Stamford Elderly Housing Corporation ("Lessee"). The Facility serves as a Long-Term Care Facility consisting of 50 beds to accommodate residents under the governance of the State of Connecticut Department of Social Services ("DSS") Medicaid reimbursement program. Management continues to secure funding in the form of an operating grant from the City of Stamford to sustain the facilities capital needs and supplement costs associated with tenant services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement 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 ("GAAP"). Under these standards, the Facility is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

As of September 30, 2023 and 2022, all of the Facility's activities and net assets were without donor restrictions.

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 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. These estimates include assessing the gross potential resident services, the collectability of accounts receivable, the extent of contractual allowances, and the estimated useful lives of long-lived assets, among others. Actual results could differ from those estimates.

Subsequent Events

The Facility monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended September 30, 2023 through January 26, 2024, the date on which financial statements were available to be issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The Facility maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Facility has not experienced any losses in such accounts. The Facility believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Facility provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of residents to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Facility's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and Equipment

The Facility capitalizes expenditures for property and equipment in excess of \$2,500. Property and equipment are recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in the statement of activities and changes in net assets. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, which range from 5 to 10 years. Leasehold improvements are amortized over the lesser of the terms of the related leases or lives of the improvements.

The Facility continually evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of its long-lived assets or whether the remaining balance of its long-lived assets should be evaluated for possible impairment. If and when such factors, events or circumstances indicate that long-lived assets should be evaluated for possible impairment, the Facility will determine the fair value of the asset by making an estimate of expected future cash flows over the remaining lives of the respective assets and compare that fair value with the carrying value of the assets in measuring their recoverability. In determining the expected future cash flows, the assets will be grouped at the lowest levels for which there are cash flows. There were no impairment losses recorded in 2023 or 2022.

Accrued Vacation

Each year, the Facility's employees earn one day paid vacation for each completed month plus one additional day for each completed year of service up to 13 years not to exceed 25 total days paid vacation annually. For employees hired after January 1, 2020, the vacation accrual was reduced to 8 days in the first year of service and 17 days maximum. Total paid vacation days are made available in full on July 1, the beginning of Charter Oak Communities' ("COC") fiscal year. Employees may not carry more than 12 days from one fiscal year to the next without written approval by the Executive Director. Employees are entitled to use any accumulated vacation days prior to termination. Upon termination, employees shall be paid for all accrued but unused vacation days up to the month of termination. Unused vacation time will be paid out at a rate ranging from 33% to 50%.

Expense Allocation

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. These costs include direct and indirect costs that have been allocated, on a consistent basis, among the program and supporting services benefited. Employee benefits have been allocated based on salaries and wages. All other costs have been directly allocated based on time and effort.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

As a Long-Term Care Facility, the Facility's primary revenue stream is earned by providing resident services. Resident services are accounted for as reciprocal exchange transactions in which the Facility's performance obligations are to provide services to its residents on a daily or monthly basis, including room, board, healthcare, and other contractually agreed-upon services. The Facility also provides food service to procure, prepare, and deliver food to Wormser Congregate, a senior living community in Stamford and related party to COC. The Facility recognizes services revenue and food service revenue as its performance obligations are met and services provided at the predetermined agreed upon amount.

The contractual relationships with residents may involve Medicaid as a third-party payer. For the years ended September 30, 2023 and 2022, approximately 95% and 96%, respectively, of net resident services revenue was received from the State of Connecticut Department of Social Services ("DSS") under the Medicaid program. Transaction prices for the services rendered, other than for private pay patients, are regulated by Medicaid. Revenue under third-party payer agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party settlements are provided in the period the related services are rendered and are recorded on the statements of financial position as "Due to third-party payers". Due to third-party payers consisted of estimated overpayments of \$343,803 and \$222,409 as of September 30, 2023 and 2022, respectively.

During the years ended September 30, 2023 and 2022, there were no third-party settlements or adjustments. These amounts would be reported as part of "Other revenue" on the statements of activities and changes in net assets.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Reimbursement rates established by the State of Connecticut are subject to audit. Management believes that the government reimbursement principles have been properly applied and that no material adjustments will occur as a result of the audit.

Gross Potential and Net Resident Service Revenue

Net resident service revenue is reported as gross potential resident services less vacancies. The amount of gross potential resident services is calculated by multiplying the 50 beds available throughout the year by the applicable DSS or private pay daily rate. Net resident service revenue reflects the net realizable amounts from residents and third-party payers in exchange for services rendered, in accordance with the principles above.

Grants and Contributions

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases net assets with 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 to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Conditional grants and contributions – that is, those with a measurable performance or other barrier and a right of return – are not recognized as revenue until the conditions on which they depend are substantially met.

Income Taxes

The Facility is a nonprofit organization other than a private foundation and is exempt from federal and state income tax under Section 501(c)(4) of the Internal Revenue Code and similar statutes.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment are as follows as of September 30,:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 507,852	\$ 507,853
Furniture and equipment	861,286	798,718
Construction in progress	-	5,250
Total	<u>1,369,138</u>	<u>1,311,821</u>
Less accumulated depreciation	<u>(1,045,289)</u>	<u>(1,016,285)</u>
Property and equipment, net	<u>\$ 323,849</u>	<u>\$ 295,536</u>

NOTE 4 – RELATED PARTY TRANSACTIONS

The Facility is related to the Housing Authority of the City of Stamford d/b/a Charter Oak Communities (“COC”) by common board membership. All staff utilized by the Facility are employees of COC. In addition, all operating expenses of the Facility are paid out of a Revolving Fund operated by COC. On a monthly basis, COC charges the Facility its direct costs including the cost of its staff, payroll taxes and benefits, and all other operating expenses. The amounts advanced are noninterest bearing and are due on demand. At September 30, 2023 and 2022, respectively, \$31,724 and \$169,472 was due to COC.

In addition, COC provides management services including bookkeeping, personnel, information technology, strategic support, and other services to the Facility. In the years ended September 30, 2023 and 2022, the Facility incurred management fees in the amount of \$155,951 and \$143,187, respectively, for management services provided by COC. Management fees charged in 2023 and 2022 represent 5.5 percent of net operating revenue, as outlined in the management agreement.

Furthermore, in the year ended September 30, 2023, the Facility received a Community Development Block Grant in the amount of \$48,247 that was passed through the City of Stamford and then COC to fund a walk-in cooler.

NOTE 5 – VARIOUS RESTRICTED RESERVES AND DEPOSITS

The Facility has approved the creation of a Replacement Reserve account and an Operating Reserve account. The reserve accounts are funded as follows:

1. Replacement Reserve – The Facility funds a replacement reserve to be used for capital replacements and leasehold improvements (“Replacement Reserve”). This reserve account is funded by annual excess cash at a maximum of \$900 per unit or \$45,000 per year. There is no limit as to the total amount in the Replacement Reserve account. Withdrawals from this reserve are used for capital repairs and improvements and are subject to the approval of SEHC's Executive Director and the Board of Commissioners.

NOTE 5 – VARIOUS RESTRICTED RESERVES AND DEPOSITS (CONTINUED)

2. Operating Reserve – The Facility funds an Operating Reserve to be used to pay, to the extent required, operating deficits, and revenue adjustments associated with Medicaid rate recaptures from the State. After funding the maximum annual Replacement Reserve amount, all remaining excess cash is deposited into a second reserve account to cover potential Operating Reserve. This account shall not exceed a \$525,000 reserve balance (three months of operating expenses). Once the maximum amount has been reached, excess funds shall be deposited to the Replacement Reserve account. Use of this reserve is subject to the recommendation of SEHC's Executive Director and approval by the Board of Commissioners.
3. The Marie R. White fund – This fund is available at the Board of Commissioners' discretion to be used to enhance the quality of life of the residents of the Facility in accordance with the terms of the last will and testament of Marie R. White. The Board has designated that these funds will not be used to cover normal operating expenses.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FUNDS

The Facility has a policy of structuring its financial assets to operate within a prudent range of financial soundness and stability and to maintain adequate liquid assets to meet obligations as they come due.

The following reflects the Facility's financial assets available to meet cash needs for general expenditures within one year of September 30,:

	<u>2023</u>	<u>2022</u>
Cash	\$ 149,637	\$ 103,878
Resident accounts receivable, net	144,213	149,655
Grant receivable	<u>230,000</u>	<u>234,707</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 523,850</u>	<u>\$ 488,240</u>

NOTE 7 – DONATED USE OF FACILITY

The Facility leases its operating facility located at 614 Scofieldtown Road, Stamford, Connecticut, from the City of Stamford at a less than fair value rent. The lease, which required an annual rental of \$1 for the use of the facility and its premises, expired September 30, 1999. Effective January 1, 2016, the City entered into a long-term ground lease for the land and improvements (i.e. the "facility"). The estimated fair value of the annual rental of \$170,246 and \$164,967 in 2023 and 2022, respectively, is recorded in the financial statements as contributed use of facility revenue and donated use of facility expense.

NOTE 8 – GRANTS

The Facility was awarded an operating grant from the City of Stamford in the amount of \$230,000 in 2023 and 2022. The City of Stamford recognizes the importance of the continuing needs serviced by the Facility. These grant funds are being used to supplement the cost of essential services not covered by the Medicaid reimbursement rate such as medical services and reserves for future operating deficits and capital replacements.

During the year ended September 30, 2022 the Facility was awarded a Community Development Block Grant of \$219,432 from Stamford Community Development. The grant funds were awarded to reimburse COVID-19 related expenses that were incurred in prior years.

NOTE 9 – PENSION PLAN

The Facility participates in the State of Connecticut Municipal Employees Retirement Fund, Plan B (a defined benefit plan). All full-time employees must participate in the plan with the employer. Employees covered by social security contributed 4.25 percent of their gross pay up to the social security taxable wage base and 7 percent thereafter, increasing after June 30, 2023 to 4.75 percent of gross pay up to the social security taxable wage base and 7.5 percent thereafter. The Facility makes required contributions to fund the remaining cost as well as paying administrative costs of the plan. The current rate of contribution for the Facility is 17.55 percent and after June 30, 2023 it decreased to 15.85 percent of covered payroll. The Connecticut State Employees Retirement Commission administers the plan. Upon retirement, benefits are calculated using predetermined formulas. In the event the plan discontinues, the assets of the plan will be used to provide benefits to members. Pension expense for the years ended September 30, 2023 and 2022 was \$129,159 and \$127,407, respectively.

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