

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Financial Statements  
and Independent Auditor's Report**

**June 30, 2022  
(With Comparative Totals for 2021)**

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**United Way of Connecticut, Inc. and Subsidiary**

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## Independent Auditor's Report

To the Board of Directors  
United Way of Connecticut, Inc.

Report on the Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way of Connecticut, Inc. and Subsidiary as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of United Way of Connecticut, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the subsidiary were not audited in accordance with *Government Auditing Standards*.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Connecticut, Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 United Way of Connecticut, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Connecticut, Inc. and Subsidiary'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.

*Report on Summarized Comparative Information*

We have previously audited United Way of Connecticut, Inc. and Subsidiary's June 30, 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of United Way of Connecticut, Inc. and Subsidiary'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 Way of Connecticut, Inc. and Subsidiary'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 Way of Connecticut, Inc. and Subsidiary's internal control over financial reporting and compliance.

*CohnReznick LLP*

Hartford, Connecticut  
December 19, 2022

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Financial Position**

**June 30, 2022**

**(With Comparative Totals for 2021)**

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Current assets		
Cash	\$ 8,962,496	\$ 7,677,806
Contracts receivable	315,770	1,460,253
Local United Way receivables	4,384	5,646
Other receivables	1,140	33,887
Prepaid expenses	<u>91,218</u>	<u>74,414</u>
Total current assets	<u>9,375,008</u>	<u>9,252,006</u>
Office furniture and equipment	436,646	425,080
Less accumulated depreciation	<u>(283,535)</u>	<u>(257,800)</u>
Net office furniture and equipment	<u>153,111</u>	<u>167,280</u>
Total assets	<u>\$ 9,528,119</u>	<u>\$ 9,419,286</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 2,125,648	\$ 1,951,586
Refundable advances	3,308,196	3,889,762
Deferred revenue	<u>610,475</u>	<u>518,555</u>
Total current liabilities	6,044,319	6,359,903
Commitments and contingencies	-	-
Net assets without donor restrictions	<u>3,483,800</u>	<u>3,059,383</u>
Total liabilities and net assets	<u>\$ 9,528,119</u>	<u>\$ 9,419,286</u>

See Notes to Consolidated Financial Statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Activities  
Year Ended June 30, 2022  
(With Comparative Totals for 2021)**

	<u>2022</u>	<u>2021</u>
Change in net assets without donor restrictions		
Revenue, gains and other support		
Governmental grants and contracts	\$ 37,104,263	\$ 25,660,520
Local United Way revenue	375,523	447,683
Grants and contracts, other	751,895	531,568
Miscellaneous	<u>75,559</u>	<u>68,210</u>
Total revenue, gains and other support	<u>38,307,240</u>	<u>26,707,981</u>
Expenses		
Program services		
2-1-1 Health and Human Services	12,881,750	15,326,684
Care 4 Kids	8,424,998	6,825,748
Child Care Services	13,217,580	1,355,365
CRC and other programs	<u>95,321</u>	<u>64,803</u>
Total program services	34,619,649	23,572,600
Support services		
Management and general	<u>3,263,174</u>	<u>2,840,507</u>
Total expenses	<u>37,882,823</u>	<u>26,413,107</u>
Change in net assets	424,417	294,874
Net assets, beginning	<u>3,059,383</u>	<u>2,764,509</u>
Net assets, end	<u><u>\$ 3,483,800</u></u>	<u><u>\$ 3,059,383</u></u>

See Notes to Consolidated Financial Statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2022  
(With Comparative Totals for 2021)**

	Program services					Support services	2022 Total	2021
	2-1-1 Health and Human Services	Care 4 Kids	Child Care Services	CRC and other programs	Total	Management and general		
Salaries	\$ 6,930,621	\$ 5,864,732	\$ 1,353,472	\$ 13,134	\$ 14,161,959	\$ 1,788,676	\$ 15,950,635	\$ 12,073,962
Health, pension and benefits	1,386,831	1,213,150	347,299	3,706	2,950,986	420,148	3,371,134	2,947,274
Payroll taxes	515,834	430,396	100,072	1,059	1,047,361	124,378	1,171,739	876,412
<b>Total personnel expenses</b>	<b>8,833,286</b>	<b>7,508,278</b>	<b>1,800,843</b>	<b>17,899</b>	<b>18,160,306</b>	<b>2,333,202</b>	<b>20,493,508</b>	<b>15,897,648</b>
Emergency lodging	627,815	-	9,745,320	-	10,373,135	-	10,373,135	4,987,341
Contract services	2,099,300	128,519	987,329	65,488	3,280,636	433,375	3,714,011	2,567,476
Occupancy	413,913	333,082	105,614	897	853,506	132,283	985,789	996,821
Depreciation	11,159	9,390	2,268	32	22,849	2,886	25,735	12,868
Postage	36,770	31,501	26,886	33	95,190	3,378	98,568	89,805
Telephone	301,254	161,649	102,429	182	565,514	71,425	636,939	887,077
Office supplies, IT and program materials	348,721	172,566	278,340	425	800,052	126,736	926,788	692,714
Printing and copying	26,744	34,670	5,156	36	66,606	3,506	70,112	75,285
Miscellaneous	104,309	438	92,328	8,550	205,625	48,839	254,464	86,065
Staff training and development	57,014	40,213	14,967	1,087	113,281	30,229	143,510	26,581
Insurance	-	-	-	-	-	76,832	76,832	69,634
Travel	315	236	51,138	1	51,690	483	52,173	14,360
Advertising	21,150	4,456	4,962	691	31,259	-	31,259	9,432
<b>Total expenses</b>	<b>\$ 12,881,750</b>	<b>\$ 8,424,998</b>	<b>\$ 13,217,580</b>	<b>\$ 95,321</b>	<b>\$ 34,619,649</b>	<b>\$ 3,263,174</b>	<b>\$ 37,882,823</b>	<b>\$ 26,413,107</b>

See Notes to Consolidated Financial Statements.



**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Cash Flows  
Year Ended June 30, 2022  
(With Comparative Totals for 2021)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 424,417	\$ 294,874
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	25,735	12,868
Changes in operating assets and liabilities		
Contracts receivable	1,144,483	(975,917)
Local United Way receivables	1,262	7,025
Other receivables	32,747	(12,504)
Prepaid expenses	(16,804)	10,704
Accounts payable and accrued expenses	174,062	360,305
Refundable advances	(581,566)	970,344
Deferred revenue	<u>91,920</u>	<u>(63,604)</u>
Net cash provided by operating activities	<u>1,296,256</u>	<u>604,095</u>
Cash flows from investing activities		
Acquisition of furniture and fixtures	<u>(11,566)</u>	<u>(180,148)</u>
Net cash used in investing activities	<u>(11,566)</u>	<u>(180,148)</u>
Net increase in cash	1,284,690	423,947
Cash, beginning	<u>7,677,806</u>	<u>7,253,859</u>
Cash, end	<u>\$ 8,962,496</u>	<u>\$ 7,677,806</u>

See Notes to Consolidated Financial Statements.

## **United Way of Connecticut, Inc. and Subsidiary**

### **Notes to Consolidated Financial Statements June 30, 2022 (With Comparative Totals for June 30, 2021)**

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

##### **Organization and operations**

United Way of Connecticut, Inc. administers eligibility based Child Care Assistance Programs for the State of Connecticut. United Way of Connecticut, Inc. provides Connecticut's statewide information, referral and crisis intervention services, 24 hours a day, 7 days a week. United Way of Connecticut, Inc. facilitates the sharing of information and other resources among the independent local United Ways in Connecticut. United Way of Connecticut, Inc. is a vehicle to identify and pursue public policy objectives which affect human services in Connecticut and, through the Community Results Center, provides research and analysis that informs local planning and decision making.

The Child Care Assistance Programs (Care 4 Kids, 2-1-1 Child Care, Provider Orientation Program, and Quality Improvement System) and the Statewide Information, Referral and Crisis Intervention Service Program ("2-1-1") are restrictively funded by grants, contracts and/or revenue generated through the efforts or assets of the program as follows:

Child Care Assistance Program which encompasses Care 4 Kids, 2-1-1 Child Care, Provider Orientation Program, and Quality Improvement System - Funded by the Office of Early Childhood.

Statewide Information, Referral and Crisis Intervention Service Program - Funded through:

- State of Connecticut Department of Social Services ("DSS") as administrator of 2-1-1, Health Care Line, Electronic Benefit Transfer ("EBT"), and MyPlaceCT
- Office of Early Childhood ("OEC") as administrator of Help Me Grow and Birth to Three Programs
- Department of Public Health ("DPH") as administrator of the Maternal Child Health Grant and COVID-19 program
- Local United Ways and other community service organizations
- Department of Children and Families ("DCF") as administrator of Emergency Mobile Psychiatric Services program
- Department of Housing ("DOH") as administrator of Coordinated Access and COVID-19 Programs

United Way Services - Funded through local United Ways and various grants

Community Results Center - Funded through various contracts and grants

##### **Principles of consolidation**

United Way of Connecticut, Inc. is affiliated with Connecticut Policy and Economic Council, Inc. ("CPEC"). United Way of Connecticut, Inc. is the sole member of CPEC and the Board of Directors of United Way of Connecticut, Inc. serves as the Board of Directors of CPEC.

## United Way of Connecticut, Inc. and Subsidiary

### Notes to Consolidated Financial Statements

June 30, 2022

(With Comparative Totals for June 30, 2021)

As of January 1, 2006, all programs of CPEC were transferred to the Community Results Center Department of United Way of Connecticut, Inc.; however, CPEC has continued to function as a separate entity. Intercompany accounts and transactions have been eliminated in consolidation.

United Way of Connecticut, Inc. and CPEC are referred to collectively as the "Organization."

#### **Basis of presentation**

The accompanying consolidated 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 consolidated financial statements report information regarding the Organization's consolidated financial position and activities according to the following net asset categories:

*Net assets without donor restrictions* - Net assets that are not subject to explicit donor-imposed stipulations represent available resources.

*Net assets with donor restrictions* - Net assets may be subject to donor-imposed stipulations are temporary in nature, such as those that may or will be met by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity.

At June 30, 2022 and 2021, there were no net assets with donor restrictions.

#### **Tax status**

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and, therefore, has made no provisions for federal or state income taxes in the accompanying consolidated financial statements.

The Organization has no unrecognized tax benefits or liabilities at June 30, 2022 and 2021. The Organization's federal and state income tax returns prior to fiscal year 2019 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, it will recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated statement of financial position. The Organization has no unrelated business income taxes for 2022 and 2021.

#### **Revenue recognition**

##### ***Contributions***

Transactions where the resource provider 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 a refundable advance.

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

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2022**

**(With Comparative Totals for June 30, 2021)**

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 consolidated statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

***Grant and contract services***

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. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction. 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 is 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. Receipts of grant awards in advance, which are payable back to the funding agency if not used, are classified as refundable advances in the accompanying consolidated statement of financial position.

**Cash and cash equivalents**

The Organization considers all unrestricted, highly-liquid investments with an initial maturity of three months or less when acquired to be cash equivalents. There were no cash equivalents held by the Organization as of June 30, 2022 and 2021.

**Office furniture and equipment**

The Organization capitalizes all expenditures (other than those purchased with funds received from state funding agencies) for office furniture and equipment that are in excess of \$5,000 and that have a useful life of greater than one year. Purchased office furniture and equipment are carried at cost. Donated office furniture and equipment are carried at the approximate fair value at the date of donation. Office furniture and equipment are depreciated using the straight-line method over estimated useful lives of three to seven 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 consolidated statement of activities for the period.

## **United Way of Connecticut, Inc. and Subsidiary**

### **Notes to Consolidated Financial Statements**

**June 30, 2022**

**(With Comparative Totals for June 30, 2021)**

Capital assets 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 with state funds was \$0 for the years ended June 30, 2022 and 2021.

#### **Prior year summarized information**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

#### **Use of estimates**

The preparation of the consolidated 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 costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses attributable to more than one program or supporting function have been allocated according to the Organization's approved cost allocation plan. Salaries and employee benefits have been allocated based on time and effort. Fringe benefit costs and other costs have been allocated based on salaries charged to the program compared to total salaries.

#### **Advertising costs**

Advertising costs are expensed as incurred and included in functional expenses.

#### **Subsequent events**

The Organization has evaluated subsequent events through December 19, 2022, which is the date the consolidated financial statements were available to be issued.

### **Note 2 - Concentrations of credit risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and receivables. The Organization maintains its cash with high-credit quality financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. As of June 30, 2022 and 2021, the Organization has cash balances on deposit that exceeded the balance insured by the FDIC of approximately \$9,021,000 and \$7,559,000, respectively.

Contracts and other receivables are limited to contributions from various foundations, businesses and individuals. Management does not believe any credit risk exists and, therefore, no allowance for doubtful accounts has been recorded.

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2022**

**(With Comparative Totals for June 30, 2021)**

Approximately 13% and 13% of the Organization's funding was provided by grants from the State of Connecticut DSS for the years ended June 30, 2022 and 2021, respectively.

Approximately 33% and 39% of the Organization's funding was provided by grants from the OEC for the years ended June 30, 2022 and 2021, respectively.

Approximately 29% and 20% of the Organization's funding was provided by grants from the DOH for the years ended June 30, 2022 and 2021, respectively.

Approximately 6% and 11% of the Organization's funding was provided by grants from the DPH for the years ended June 30, 2022 and 2021, respectively.

**Note 3 - Liquidity**

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

As of June 30, 2022 and 2021, the Organization has financial assets available to meet annual operating needs for the subsequent fiscal year as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 8,962,496	\$ 7,677,806
Contracts receivable	315,770	1,460,253
Local United Way and other receivables	5,524	39,533
Less refundable advances	<u>(3,308,196)</u>	<u>(3,889,762)</u>
Total	<u>\$ 5,975,594</u>	<u>\$ 5,287,830</u>

These consolidated financial assets are not subject to any donor or contractual restrictions.

The Organization supports its general operations primarily with government grants and contracts. However, in addition to existing financial assets available to meet general expenditures within one year, the Organization has a line of credit available in the amount of \$2,000,000 to assist with short-term liquidity needs.

**Note 4 - Line of credit**

The Organization has a \$2,000,000 revolving line of credit from a bank which will expire on January 31, 2023. Available funds as of June 30, 2022 and 2021 were \$2,000,000. The line of credit is secured by a security interest on all the business assets. Interest is payable monthly on any advances outstanding at a variable rate equal to the bank's "Prime Rate" plus 0.50% (5.25% at June 30, 2022). Any unpaid balances must be paid in full on the expiration date. There was no outstanding balance as of June 30, 2022 and 2021 and no borrowings during both fiscal years.

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2022**

**(With Comparative Totals for June 30, 2021)**

**Note 5 - Pension plan**

The Organization maintains a defined contribution pension plan covering all employees of the Organization with 30 days of service, who have attained the age of 21. Effective January 1, 2019, employees are now eligible to participate once they have attained the age of 18. Employees become eligible to receive employer contributions after six months of service. The Organization's contribution to the plan was at 8% of eligible payroll for the plan year. For the years ended June 30, 2022 and 2021, pension plan contribution expense totaled \$1,032,595 and \$832,650, respectively.

**Note 6 - Operating leases**

The Organization leases office and storage space in various locations, which expire at various times through February 2036. The Organization is responsible for property taxes, insurance and maintenance. The Organization also leases various office equipment, which expire at various times through February 2036. The Organization is responsible for all insurance and maintenance.

The future minimum lease payments due under the noncancelable leases subsequent to June 30, 2022 are as follows:

2023	\$	855,346
2024		882,761
2025		894,957
2026		991,364
2027		1,012,271
Thereafter		<u>9,546,016</u>
Total	\$	<u>14,182,715</u>

Total rental expense for all operating leases for the years ended June 30, 2022 and 2021 was \$1,001,508 and \$1,025,972, respectively.

**Note 7 - Contingencies**

**Litigation**

From time to time, the Organization is a defendant in actions arising in the ordinary course of business. In the opinion of management, such litigation will not have a material effect on the Organization's consolidated financial condition or results of operations.

**Contingency**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of revenues and other material adverse effects to the Organization's financial position, results of activities, and cash flows. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Organization's operations continue for an extended period of time, the Organization may have to seek alternative measures to finance its operations.