

**CITY OF NORWICH**  
**COMMUNITY DEVELOPMENT BLOCK GRANT • APPLICATION FOR FUNDING**  
**NON-PUBLIC SERVICE**  
**PROGRAM YEAR 2021 (PY 47) • SEPTEMBER 1, 2021– AUGUST 31, 2022**

**DUE: Wednesday February 17, 2021 AT 4 PM AT 23 UNION STREET, NORWICH, 2<sup>ND</sup> FLOOR**

Office of Community Development  
 23 Union Street, 2<sup>nd</sup> floor • Tel (860) 823-3770 • Fax (860) 823-3715

E-mail addresses:

[kerees@cityofnorwich.org](mailto:kerees@cityofnorwich.org) (Community Development Director)

[teurtis@cityofnorwich.org](mailto:teurtis@cityofnorwich.org) (Program Assistant)

**PART I: GENERAL INFORMATION**

**AGENCY:** Futures Inc.

**LEGAL NAME**  
(If different from Agency) \_\_\_\_\_

**ADDRESS:** 902 South Quaker Lane, West Hartford, CT 06110

\_\_\_\_\_

**E-MAIL:** pdonaroma@futures-ct.org

\_\_\_\_\_

**EXECUTIVE DIRECTOR:** Pamela DonAroma

\_\_\_\_\_

**CONTACT NAME & TITLE:** Tracey O'Brien, Senior Vice President

\_\_\_\_\_

**TELEPHONE:** 860-347-5099 x227

\_\_\_\_\_

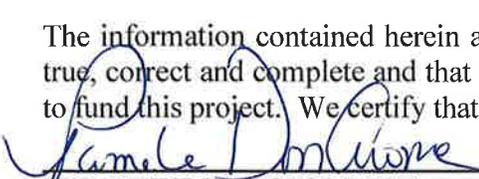
**AGENCY FISCAL YEAR:** 7/1 6/30  
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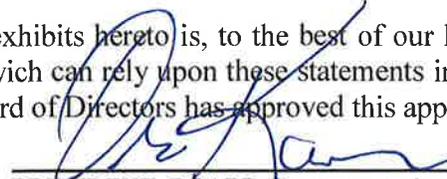
**PROJECT NAME:** Improved Safety, Air Quality and Circulation

**CDBG REQUEST & AWARD AMOUNTS:**

	REQUEST	AWARD
<b>UPCOMING FISCAL YEAR (This Request)</b> (September 1, 2021 – August 31, 2022)	\$ <u>30,046.08</u>	\$ _____
<b>CURRENT FISCAL YEAR (Prior Year Award)</b> (September 1, 2020 – August 31, 2021)	\$ _____	\$ _____

The information contained herein and attached as exhibits hereto is, to the best of our knowledge and belief, true, correct and complete and that the City of Norwich can rely upon these statements in determining whether to fund this project. We certify that the Agency Board of Directors has approved this application.

  
 \_\_\_\_\_  
**EXECUTIVE DIRECTOR/DEPT. HEAD**

  
 \_\_\_\_\_  
**PRESIDENT, BOARD OF DIRECTORS**

Pamela DonAroma  
 \_\_\_\_\_  
 Printed Name

Orv Karan  
 \_\_\_\_\_  
 Printed Name

2/17/2021  
 \_\_\_\_\_  
 DATE

2/17/2021  
 \_\_\_\_\_  
 DATE

## SPECIAL INSTRUCTIONS FOR CONSTRUCTION PROJECTS

If you are applying for construction related funding, **only projects that can begin construction and expend appropriations within the upcoming program year (Sept 2021 thru June 2022)** should be submitted for funding consideration. Funds may be subject to recapture if timelines are not followed.

The following requirements should be taken into consideration in your selection of projects and your preparation of construction budgets for Public Facilities & Improvements and Rehabilitation activities:

- Construction projects are subject to a variety of Federal, State and Municipal laws, statutes, rules and regulations, including City Zoning Ordinances, the State Building and Fire Safety Codes, the Federal Labor Standards/Davis-Bacon Prevailing Wages and the Federal Environmental Review Process.
- Construction budgets should anticipate the following:
  - Davis-Bacon Wages may increase project costs by 30-40%
  - Bonds (Bid, Performance, Labor and Material) are required for projects exceeding \$100,000 and may also be required for smaller projects.
  - Depending upon the scope of the project, the age of the building, and the type of building materials, environmental testing fees and resulting mitigation measures may be necessary
  - Insurance is required for all construction projects
  - City permit fees will not be waived.
- Construction projects are subject to the Federal/OMB procurement requirements.
- Work on the project may not commence without explicit approval of the Office of Community Development.
- Payment is generally on a reimbursement basis provided that an executed funding agreement is in place, and the project is in compliance with all terms/conditions of that agreement. Expenditures incurred prior to the effective date of the HUD allocation will be ineligible for reimbursement.

## **PART II: PROJECT INFORMATION** (Attached)

Please create a new document answering the following questions. In this new document, please utilize the section headers. For example, when addressing section A2, please write: A2: Brief History, and then provide the response. You must answer all questions. If a question does not apply to your agency, please respond with "not applicable".

### **A. INTRODUCTION/AGENCY INFORMATION:**

1. Brief history of your organization, including its mission
2. What are the hours of operation for your agency?
3. What is the total number of FTEs employed by your agency?
4. If there are 15 or more employees at your agency, please provide the name of the person responsible for compliance with Section 504 of Rehabilitation Act of 1973 - Nondiscrimination under Federal Programs.
5. Do you receive more than \$500,000 of Federal Funding through any means, including grants and loans?

### **B. STATEMENT OF NEED**

1. Define the need to be addressed through your project and how it will address that need of the community. Please comment on how your industry measures success and discuss how you will measure success for this program.

### **C. PROJECT DESCRIPTION:**

1. Provide a general description of the project for which you are requesting funding, including the list/description of the activities to be performed.
2. Explain any temporary or permanent relocation of persons or businesses that may result from this project.
3. Please specify the percentage of requested grant funds that will be used for salaries and the total number of employees hired and/or retained as a result.

### **D. TARGET POPULATION/AREA OF BENEFIT**

1. Identify and describe the target population *or* area of benefit (if it serves a low-income census tract.)

### **E. IMPLEMENTATION SCHEDULE**

1. Please submit the anticipated implementation schedule that includes, but is not limited to, spec completion, bidding, starting, and project completion dates.

### **F. REDUCED FUNDING QUESTIONS**

1. If the CDBG funding that you are requesting will leverage funding from another source, please note the amount and source and use of leveraged funding. Have these additional funds been secured at the time the application is made, if not, what actions are you taking to apply for them?
2. If you do not receive the amount of funds requested from CDBG, how do you propose to administer and/or complete the project in the manner presented?
3. What items would you reduce/eliminate from your budget if the City wanted to (only) partially fund your application?

### **G. PROJECT FEASIBILITY**

1. Have any of the following pre-construction issues been investigated: architectural and engineering, design, environmental assessment and lead-based paint assessment, if applicable? (Lead-based paint assessments are applicable to structures built before 1978). Please provide the investigations, if available.
2. Have you obtained a cost estimate for this project? Please include the cost estimate, with the specification to the estimating entity that the job will require the payment of prevailing (Davis Bacon) wages.
3. Can the project expend funds within 1-year and be fully completed within 1.5 years of receiving this grant?

### **H. LINKAGE TO CITY PLANS**

1. Briefly discuss how your request addresses the City's Plan of Conservation and Development, CDBG's Consolidated Plan priorities, or any other City development plan or formally stated goal.
2. If your project is linked to specific, adopted neighborhood revitalization zone plan or other organized/recognized neighborhood planning or revitalization processes, please explain thoroughly how the project is linked and how it meets or compliments the respective plan's goals.
3. Do you have a letter of support from a City agency or commission? If yes, please attach.

**I. SECTION 3 REQUIREMENTS (See Samples on pages 10-14)**

The work to be performed under any contract utilizing CDBG funding may be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assistance projects covered by Section 3, are, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.

Please review page 11, "Section 3 Contractor Affidavit" and select the appropriate response. In addition, please note that if funding is approved, your contract may be required to review, implement and report on employment activities relating to Section 3 guidelines.

**COMMUNITY DEVELOPMENT NATIONAL OBJECTIVE**

Does your project:

Address the needs of low- and/or moderate-income residents?  
 (At least 51% of your clients must not exceed the income guidelines below or if your project is not client based it must be located in a census tract that is at least 51% low to moderate income) see chart

OR

Eliminate Slums or Blight?

OR

Improve a Low-Income census tract?

FY 2020 Income Limits Summary									
FY 2020 Income Limit Area	FY 2020 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
Norwich-New London, CT HUD Metro FMR Area	Very Low (50%) Income Limits (\$)	\$ 35,950	\$ 41,050	\$ 46,200	\$ 51,300	\$ 55,450	\$ 59,550	\$ 63,650	\$ 67,750
	Extremely Low Income Limits (\$)*	\$ 21,600	\$ 24,650	\$ 27,750	\$ 30,800	\$ 33,300	\$ 35,750	\$ 39,640	\$ 44,120
Median Family Income \$91,800	Low (80%) Income Limits (\$)	\$ 54,950	\$ 62,800	\$ 70,650	\$ 78,500	\$ 84,800	\$ 91,100	\$ 97,350	\$ 103,650

**City of Norwich Community Development Block Grant  
Application for Funding - Non-Public Service**

**Program Year 2021 (PY 47)**

**September 1, 2021 to August 31, 2022**

**REQUIRED QUESTIONS**

**A1: Brief History of Organization**

Futures Inc. began in 1989 through a partnership with the University of Connecticut - Center of Excellence. It was the first agency of its kind in Connecticut to develop and implement customized service plans for individuals with disabilities and their families. Today, Futures provides a wide range of services including educational support, mentoring, transition planning, employment, independent living along with recreation and community volunteerism. Our mission is to empower students and individuals with disabilities to pursue life to their fullest and know the satisfaction of personal achievement.

**A2: Hours of Operation**

Futures Inc. hour of operation are 8:30am to 4:30pm Monday – Friday (Except on Holidays)

**A3: Total number of FTEs**

Futures has 84 FTE's

**A4: Person Responsible for Compliance with Section 504 of Rehabilitation Act of 1973**

Pamela DonAroma

**A5: Do you receive more that \$500,000 of Federal Funding?**

YES

**B1. Statement of Need**

The HVAC system in our Norwich building is old and inefficient. By replacing our aged HVAC system and the associated insulation, our heating and cooling systems will be more effective and operate more efficiently. This will conserve energy, result in a significant savings and make the building more comfortable and accessible to our consumers, staff and visitors throughout the year. Our building, which serves as a program site for individuals with both intellectual and physical disabilities, was purchased in 2019. It is centrally located in Norwich and in the heart of the town with ready access to community resources and services. This location provides our consumers with almost unlimited opportunities to experience, practice, and learn meaningful

employment, independent living, and social skills within real world community settings. We are located within easy walking distance to numerous activities and businesses. When not in the community our consumers spend time in our building daily. This may be for lunch, or as a respite from being in the community, or for emotional support and/or for learning employment relevant skills. Several consumers operate their own micro-enterprises out of this location. Also, at times, consumers and their support staff simply need a reprieve from the extreme inclement conditions that are part of New England's fluctuating weather patterns. In addition, the new HVAC system will include a U/V lightning upgrade that will be integrated into the system to clean and purify the air. The new system will significantly reduce the potential impact and spread of air-borne pollutants to clients, staff, and visitors.

**C1. Provide a general description of the Project for which you are requesting funding.**

Because of its age, our current HVAC system has previously been identified as inefficient. In addition, the building lacks proper insulation, which therefore compromises its capabilities at sustaining consistent internal temperatures throughout the year. Other benefits of the project include being able to provide space that is consistently warm in colder months and comfortably cool in the warmer ones. We are wasting energy and thereby much-needed funds as a result of paying higher energy costs that would otherwise be used to support our clients. Our building lacks insulation in the outer walls, the attic, and the basement. In addition, the exterior of the building is covered in old wooden siding that does not provide much resistance to inclement weather. Included in the work to be done is: Removal and replacement of our aged HVAC system and installation of appropriately rated blow-in insulation into the exterior walls and interior ceilings. By making these improvements we will be able to significantly reduce energy costs and maintain comfortable heating/cooling conditions year round.

**C2: Explain any temporary or permanent relocation of persons or businesses.**

We do not anticipate and temporary or permanent relocation being necessary as a result of moving forward with the project. However, to the extent necessary in the event of an emergency or unforeseen event, Futures has the current capacity to temporary relocate our clients and staff to our other offices located through the state.

**C3: Please specify the percentage of requested grant funds that will be used for salaries and the total number of employees hired and/or retained as a result.**

N/A

**D1: Target Population/Area of Benefit**

The target population which will benefit from this project will be 100% Low-Income disabled individuals that receive benefit under Title 19.

E1: Implementation Schedule

<u>Dates</u>	<u>Task</u>
--------------	-------------

September 15-30, 2021	Begin/Complete Removal Installation of HVAC
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September 15-30, 2021	Begin/Complete Installation of BLOW-INSULATION
-----------------------	--

F1: Reduced Funding Questions

Futures intends to leverage the CDBG funds using current operating funds that have been allocated to this project and which are currently available. The total amount of operating funds currently allocated to this project is \$7,511.52.

F2: If you do not receive the amount of funds requested from CDBG, how do you propose to administer and/or complete the project in the manner presented?

If we do not receive the amount of funds requested from CDBG we intend to either utilize other credit/financing options and/or limit the scope of the project as necessary depending on the resources available.

F3: What items would you reduce/eliminate form your budget if the City wanted to (only) partially fund your application?

If Futures only received partial funding we would most likely adjust the scope of work to include only replacement of the HVAC system (See question E1). As additional funding is becomes available we would move forward with the completion of the Insulation (See question E1).

G1: Have any of the following pre-construction issues been investigated: architectural and engineering, design, environmental assessment and lead-based paint assessment, if applicable? (Lead-based paint assessments are applicable to structures built before 1978). Please provide the investigations, if available.

To our knowledge, to date there has not been any investigation with regard to any architectural, engineering, design, environmental assessment or lead-based paint assessment. We currently do not have any information or reports related to any of the above referenced conditions. However, should such assessments become necessary we are prepared to conduct such assessments as required.

G2: Have you obtained a cost estimate for this project? Please include the cost estimate, with the specification to the estimating entity that the job will require the payment of prevailing (Davis Bacon) wages

Yes, Futures has obtained estimates based on prevailing wages. **See Attached**

G3: How quickly can the funds be spent?

Immediately upon receipt of grant funds, we will begin the work to install a new HVAC system and insulation.

H1: Briefly discuss how your request addresses the City's Plan of Conservation and Development, CDBG's Consolidated Plan priorities, or any other City development plan or formally stated goal.

Through our Norwich program Futures currently provides services to our disabled, low-income Title 19 clients which seeks to expand economic opportunities and services pursuant to the following City of Norwich stated Five Year 2015-2019 Consolidated Plan and 2015 Annual Plan

H2: If your project is linked to specific, adopted neighborhood revitalization zone plan or other organized/recognized neighborhood planning or revitalization processes, please explain thoroughly how the project is linked and how it meets or compliments the respective plan's goals.

N/A

H3: Do you have a letter of support from a City agency or commission? If yes, please attach.

N/A

#### **COMMUNITY DEVELOPMENT NATIONAL OBJECTIVE**

Does your project:

Address the needs of low- and/or moderate-income residents? **YES**

(At least 51% of your clients must not exceed the income guidelines below or if your project is not client based it must be located in a census tract that is at least 51% low to moderate income)

see chart

OR

Eliminate Slums or Blight. OR

Improve a Low-Income census tract?

**PART III: BUDGET INFORMATION**

**CONSTRUCTION BUDGET**

Construction/Clean-up Costs		\$ 37,557.60
Pre-Development Soft Costs:		
Legal	\$ _____	
Architectural & Engineering	\$ _____	
Survey	\$ _____	
Environmental testing	\$ _____	
Estimated total soft costs		\$ 0
<b>Total Development Costs (construction &amp; soft costs)</b>		<b>\$ 37,557.60</b>

Sources of Funds (list all sources of funding for this project including other government funds, agency cash, private funds, CDBG, etc.)

SOURCE	AMOUNT
Futures Inc (Current Operating Funds)	\$ 7,511.52
CDBG (This Request)	\$ 30,046.08
_____	\$ _____
_____	\$ _____

USE	AMOUNT
HVAC System Upgrade	\$ 27,513.00
Insulation	\$ 10,044.60
_____	\$ _____
_____	\$ _____

**PART IV: SUPPLEMENTAL INFORMATION:** All agencies must submit all of the following documentation with their application whether or not you have previously received CDBG funds through the City of Norwich.

**EXHIBIT 1 Financial Statement and Audit**

Describe the agency's fiscal management including disbursement methods, financial reporting, record keeping, accounting principles/procedures and audit requirements. Include a copy of the agency's last completed audit.

**EXHIBIT 2 Insurance/Bond/Worker's Compensation**

- State whether or not the agency has liability insurance coverage, in what amount and with what insuring agency.
- State whether or not the agency pays all payroll taxes and worker's compensation as required by Federal and State Law.
- State whether or not the agency has fidelity bond coverage for principal staff who handle the agency's accounts, in what amount and with what insuring agency.
- Provide a copy of your current insurance certificate, NOT YOUR POLICY.

- EXHIBIT 3 Non-profit Determination  
Non-profit organizations must submit tax-exemption determination letters from the Federal Internal Revenue Service.
- EXHIBIT 4 List of Board of Directors  
A list of the current board of directors or other governing body of the agency must be submitted. The list must include the name, telephone number, address, occupation or affiliation of each member; and must identify the principal officers of the governing body.
- EXHIBIT 5 Organizational Chart  
An organizational chart must be provided which describes the agency's administrative framework and staff positions, which indicates where the proposed project will fit into the organizational structure and which identifies any staff positions of shared responsibility.
- EXHIBIT 6 Resumes of Chief Program Administrator and Chief Fiscal Officer
- EXHIBIT 7 Conflict of Interest Disclosure  
Form attached

**COMMUNITY DEVELOPMENT BLOCK GRANT CITY  
OF NORWICH, CONNECTICUT**

**APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
2021-2022 PROGRAM YEAR**

Federal, State, and City law prohibits employees and public officials of the City of Norwich from participating on behalf of the City in any transaction in which they have a financial interest. This questionnaire must be completed and submitted by each applicant for Community Development Block Grant (CDBG) funding. The purpose of this questionnaire is to determine if the applicant, or any of the applicant's staff, or any of the applicant's Board of Directors would be in conflict of interest.

1. Is there any member(s) of the applicant's staff or any member(s) of the applicant's Board of Directors or governing body who is or has/have been within one year of the date of this questionnaire (a) a City employee or consultant, or (b) a City Council member, or (c) a member of the Community Development Advisory Committee (CDAC) member?  Yes  No

If yes, please list the name(s) and information requested below:

Name of person	Job Title of person	Indicate City employee, consultant, City Council person, or CDAC member

**NORWICH COMMUNITY DEVELOPMENT BLOCK GRANT  
 APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
 2021-2022 PROGRAM YEAR**

2. Will the CDBG funds requested by the applicant be used to award a subcontract to any individual(s) or business affiliate(s) who is/are currently or has/have been within one year of the date of this questionnaire a City employee, consultant, City Council person or Community Development Advisory Committee member?

Yes       No

If yes, please list the name(s) and information requested below:

Name of person	Job Title of person	Indicate City employee, consultant, City Council person, or CDAC member

3. Is there any member(s) of the applicant's staff or member(s) of the applicant's Board of Directors or other governing body who are business partners or family members of a City employee, consultant, City Council person, Community Development Advisory Committee member?

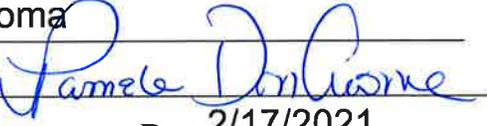
Yes       No

If yes, please identify below the City employee, consultant, or Council member with whom each individual has family or business ties.

Name of member	Name of City employee, Consultant, City Council member, CDAC member	Indicate type of tie (Family or Business)	If family, indicate relationship

**NORWICH COMMUNITY DEVELOPMENT BLOCK GRANT  
APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
2021-2022 PROGRAM YEAR**

4. Have you read and understood the HUD regulation regarding conflict of interest, 24 CFR 570.611 (attached)?

Name of Applicant: Pamela DonAroma  
Signature of Applicant's Representative:   
Title President/CEO Date 2/17/2021

**HUD REGULATION REGARDING CONFLICT OF INTEREST  
(NOT REQUIRED TO BE SUBMITTED WITH APPLICATION)**

§570.611 Conflict of interest.

(a) Applicability

(1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.

(2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) (1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995, as amended at 80 FR 75938, Dec. 7, 2015]

### Section 3 Contractor Affidavit (SAMPLE)

A Section 3 Business Concern is a business or organization that:

- Is 51 percent or more owned by section 3 residents; or
- Has permanent, full-time employees at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
- Has a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to such businesses describe above

This is to certify that \_\_\_\_\_  
Business Name (Print)

\_\_\_\_\_ Is a Section 3 Business Concern (Please read, review and implement necessary items in document entitled “Section 3 Requirements”)

\_\_\_\_\_ Is **NOT** a Section 3 Business Concern but the contract for work will require my business or sub-contractor to hire, train, or educate a new employee. (Please read, review and implement necessary items in document entitled “Section 3 Requirements”)

\_\_\_\_\_ Is **NOT** a Section 3 Business Concern and the contract for work will **NOT** require my business or sub-contractor to hire, train or educate a new employee. (No further action is necessary unless an employee is hired during the contract period)

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

## Section 3 Requirements (SAMPLE)

### CONTRACTOR'S SECTION 3 PLAN CERTIFICATION

Project \_\_\_\_\_

Contractor's Name \_\_\_\_\_

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assistance projects covered by Section 3, are, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.

As representative of the Contractor, I hereby agree:

- To list on Table A all projected workforce needs for all phases of this project by occupation, trade, skill level and number of positions.
- To comply to the greatest extent feasible with the objectives and percentage goals established in the Section 3 Plan for Housing and Community Development Assistance of the City of Norwich.
- That to the greatest extent feasible vacant positions in relation to this project will be filled with Section 3 residents.
- To conduct recruitment activities in a manner consistent with the Section 3 requirements as shown on Table B.
- To include in all contracts with subcontractors in excess of \$100,000 the Section 3 Clause and to require the subcontractor to comply with similar certification requirements.
- To maintain proper records to demonstrate compliance with the Section 3 plan.
- To award to the greatest extent possible, all subcontracts in excess of \$100,000 to eligible Section 3 firms.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

# TABLE A

Contractor/Subcontractor: \_\_\_\_\_

Project Name: \_\_\_\_\_

(a) The number of persons currently employed by contractor that will be performing work under this contract:

<u>Job Title</u>	<u>Total Employees</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) The number of employees you intend to hire for contract:

<u>Job Title</u>	<u># Needed</u>
_____	_____
_____	_____

<u>Job Title</u>	<u># Needed</u>
_____	_____
_____	_____
_____	_____
_____	_____

**TOTAL:** \_\_\_\_\_

If additional employees are needed, the Contractor will be required to report: his efforts to hire Section 3 Residents, the actual number of residents hired' and the hours the residents worked (see HUD Form No. Hud-60002).

(c) Which of the above positions will be a training position:

<u>Job Title</u>	<u>Estimated Length of Training</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(d) List type and amount of work to be subcontracted out. (If subcontract equals or exceeds \$ 100,000.00, the subcontractor will be required to fill out this TABLE A.)

<u>Subcontractor</u>	<u>Amount of Subcontract</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## TABLE B

### Recruitment Efforts

At a minimum the following tasks must be completed to demonstrate a good faith effort with the requirements of Section 3. The contracting party and each contractor or subcontractor seeking to establish a good faith effort as required should be filling au training positions with persons residing in the target area.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment sources, trade organizations and other community Groups capable of referring eligible Section 3 applicants, including the Department of Labor.
2. Include in all solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.
3. When using a newspaper of major circulation to request bids, quotes or to advertise employment opportunities to also advertise in minority owned newspapers.
4. Maintain a list of all residents from the target area(s) who have applied either on their own or by referral from any service, and employ such persons, if otherwise eligible and if a trainee exists. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.
5. The contractor must certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed were not filled to circumvent the contractor's obligation under 24 CFR Part 135.

**FUTURES, INC.**

**Financial Statements and Supplementary Information  
with Independent Auditor's Report**

**June 30, 2020 and 2019**

# FUTURES, INC.

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GUILMARTIN ■ DIPIRO ■ SOKOLOWSKI LLC

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Futures, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Futures, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 judgement, 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 Futures, Inc. as of June 30, 2020 and 2019, 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

#### Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the State of Connecticut Single Audit Act (C.G.S. Section 4-230 to 4-236), is presented for purposes of additional analysis and is 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 used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 on our consideration of Futures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Futures, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Futures, Inc.'s internal control over financial reporting and compliance.

Guilmodiu D.P. + Sokolowski, LLC

Middletown, Connecticut  
January 29, 2021

**FUTURES, INC.**

**Statements of Financial Position**

**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 965,849	\$ 259,318
Investments	560,625	477,190
Accounts receivable, net	1,215,055	539,357
Inventory	229,593	165,193
Prepaid expenses and other current assets	65,851	79,518
Total current assets	<u>3,036,973</u>	<u>1,520,576</u>
Property and equipment, net	<u>2,528,495</u>	<u>2,694,333</u>
Assets held in trust	324,639	287,947
Other assets	<u>33,761</u>	<u>8,761</u>
Total assets	<u>\$ 5,923,868</u>	<u>\$ 4,511,617</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 411,689	\$ 480,324
Line of credit	250,000	100,000
Current portion of long-term debt	61,926	89,304
Refundable advances	787,549	-
Deferred revenue	-	25,000
Total current liabilities	<u>1,511,164</u>	<u>694,628</u>
Long-term liabilities:		
Long-term debt, less current portion	338,813	435,821
Due to officer	324,639	287,947
Total long-term liabilities	<u>663,452</u>	<u>723,768</u>
Total liabilities	<u>2,174,616</u>	<u>1,418,396</u>
Net assets:		
Without donor restrictions	3,724,252	3,093,221
With donor restrictions	25,000	-
Total net assets	<u>3,749,252</u>	<u>3,093,221</u>
Total liabilities and net assets	<u>\$ 5,923,868</u>	<u>\$ 4,511,617</u>

See accompanying notes to financial statements.

**FUTURES, INC.**

**Statements of Activities**

**For the years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b><u>Change in Net Assets without Donor Restrictions</u></b>		
Revenue and other support:		
Service fee revenues	\$ 4,366,066	\$ 3,417,686
Grants and contracts	1,964,436	2,493,774
Gift shop sales	180,220	235,288
Other income	7,413	29,115
Contributions	84,953	84,112
(Loss) on sale of real property	(72,366)	-
Unrealized (loss) gain on investments	(9,115)	18,527
Realized gain on investments	5,061	4,691
Interest and investment income	10,605	12,520
Total revenue and other support	<u>6,537,273</u>	<u>6,295,713</u>
Program expenses:		
DDS programs	1,565,882	1,684,873
Futures School	2,208,392	2,146,162
Good Cause Gifts	368,911	336,502
Other programs	618,866	595,083
Total program services	<u>4,762,051</u>	<u>4,762,620</u>
Supporting service expenses:		
Fundraising	27,911	48,034
Administrative and general	1,116,280	815,598
Total supporting services	<u>1,144,191</u>	<u>863,632</u>
Total expenses	<u>5,906,242</u>	<u>5,626,252</u>
Change in net assets without donor restrictions	631,031	669,461
Net assets without donor restrictions, beginning of year	<u>3,093,221</u>	<u>2,423,760</u>
Net assets without donor restrictions, end of year	<u>\$ 3,724,252</u>	<u>\$ 3,093,221</u>
<b><u>Changes in Net Assets with Donor Restrictions</u></b>		
Contributions	<u>\$ 25,000</u>	<u>\$ -</u>
Change in net assets with donor restrictions	25,000	-
Net assets with donor restrictions, beginning of year	<u>-</u>	<u>-</u>
Net assets with donor restrictions, end of year	<u>\$ 25,000</u>	<u>\$ -</u>
Total change in net assets	<u>\$ 656,031</u>	<u>\$ 669,461</u>

See accompanying notes to financial statements.

FUTURES, INC.

Statement of Functional Expenses

For the year ended June 30, 2020

(with comparative totals for 2019)

	Program Services					Supporting Services			2020 Total	2019 Total
	DDS Programs	Futures School	Good Cause Gifts	Other Programs	Total Program Services	Fundraising	Administrative and General	Total Supporting Services		
Salaries and wages	\$ 1,162,203	\$ 1,312,459	\$ 108,832	\$ 243,037	\$ 2,826,531	\$ 22,721	\$ 665,921	\$ 688,642	\$ 3,515,173	\$ 3,395,793
Fringe benefits/payroll taxes	218,219	246,422	20,435	45,633	530,709	4,276	125,034	129,310	660,019	577,427
Total salaries and fringe benefits	<u>1,380,422</u>	<u>1,558,881</u>	<u>129,267</u>	<u>288,670</u>	<u>3,357,240</u>	<u>26,997</u>	<u>790,955</u>	<u>817,952</u>	<u>4,175,192</u>	<u>3,973,220</u>
Occupancy	33,949	145,847	11,747	23,923	215,466	-	34,127	34,127	249,593	258,347
Professional fees	6,460	76,546	4,443	27,480	114,929	-	154,123	154,123	269,052	219,212
Depreciation	6,303	72,140	24,269	130,402	233,114	-	13,766	13,766	246,880	212,834
Client expenses	7,778	127,245	27,242	86,733	248,998	778	599	1,377	250,375	208,073
Office expenses	7,096	41,311	5,045	5,922	59,374	61	9,855	9,916	69,290	69,764
Cost of goods sold	-	-	111,706	99	111,805	66	-	66	111,871	153,395
Insurance	14,947	30,132	4,504	6,987	56,570	-	7,221	7,221	63,791	58,192
Interest expense	1,176	12,564	216	674	14,630	-	20,312	20,312	34,942	46,765
Expense reimbursements	43,527	5,677	307	7,988	57,499	-	5,014	5,014	62,513	84,107
Telephone	7,157	6,794	7,810	5,180	26,941	-	10,309	10,309	37,250	32,699
Maintenance and repairs	30,216	51,762	8,219	15,442	105,639	-	7,856	7,856	113,495	127,457
Equipment rental	9,159	22,416	2,517	7,737	41,829	-	10,685	10,685	52,514	28,395
Conferences and meetings	2,308	2,324	1,505	1,099	7,236	-	10,917	10,917	18,153	15,983
Employment training and recruitment	12,942	22,609	176	1,831	37,558	-	2,358	2,358	39,916	49,660
Printing and publications	1,516	19,547	11,036	1,431	33,530	-	710	710	34,240	34,211
Dues and membership	-	12,597	615	99	13,311	-	9,248	9,248	22,559	13,784
Other	926	-	18,287	7,169	26,382	9	28,225	28,234	54,616	40,154
Total expenses before allocation of administrative and general	1,565,882	2,208,392	368,911	618,866	4,762,051	27,911	1,116,280	1,144,191	5,906,242	5,626,252
Allocation of administrative and general	<u>313,851</u>	<u>653,838</u>	<u>42,187</u>	<u>105,865</u>	<u>1,115,741</u>	<u>539</u>	<u>(1,116,280)</u>	<u>(1,115,741)</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 1,879,733</u>	<u>\$ 2,862,230</u>	<u>\$ 411,098</u>	<u>\$ 724,731</u>	<u>\$ 5,877,792</u>	<u>\$ 28,450</u>	<u>\$ -</u>	<u>\$ 28,450</u>	<u>\$ 5,906,242</u>	<u>\$ 5,626,252</u>

See accompanying notes to financial statements.

FUTURES, INC.

Statement of Functional Expenses

For the year ended June 30, 2019

	Program Services					Supporting Services			Total
	DDS Programs	Futures School	Good Cause Gifts	Other Programs	Total Program Services	Fundraising	Administrative and General	Total Supporting Services	
Salaries and wages	\$ 1,229,315	\$ 1,313,879	\$ 73,907	\$ 304,313	\$ 2,921,414	\$ 40,885	\$ 433,494	\$ 474,379	\$ 3,395,793
Fringe benefits/payroll taxes	209,035	223,415	12,567	51,746	496,763	6,952	73,712	80,664	577,427
Total salaries and fringe benefits	<u>1,438,350</u>	<u>1,537,294</u>	<u>86,474</u>	<u>356,059</u>	<u>3,418,177</u>	<u>47,837</u>	<u>507,206</u>	<u>555,043</u>	<u>3,973,220</u>
Occupancy	42,874	151,237	13,662	18,446	226,219	-	32,128	32,128	258,347
Professional fees	10,956	24,445	2,390	43,330	81,121	-	138,091	138,091	219,212
Depreciation	4,259	94,181	24,372	75,709	198,521	-	14,313	14,313	212,834
Client expenses	14,268	126,148	20,915	46,213	207,544	-	529	529	208,073
Office expenses	9,184	39,640	4,067	5,923	58,814	-	10,950	10,950	69,764
Cost of goods sold	28	2	153,365	-	153,395	-	-	-	153,395
Insurance	16,642	25,710	4,431	5,516	52,299	197	5,696	5,893	58,192
Interest expense	1,860	11,291	661	4,732	18,544	-	28,221	28,221	46,765
Expense reimbursements	62,691	3,795	186	12,879	79,551	-	4,556	4,556	84,107
Telephone	7,259	7,701	4,231	4,198	23,389	-	9,310	9,310	32,699
Maintenance and repairs	38,076	63,119	1,961	14,756	117,912	-	9,545	9,545	127,457
Equipment rental	7,176	5,975	2,143	3,160	18,454	-	9,941	9,941	28,395
Conferences and meetings	1,994	2,116	2,721	815	7,646	-	8,337	8,337	15,983
Employment training and recruitment	27,932	17,503	185	1,709	47,329	-	2,331	2,331	49,660
Printing and publications	1,168	26,333	2,753	1,399	31,653	-	2,558	2,558	34,211
Dues and membership	100	9,380	2,557	-	12,037	-	1,747	1,747	13,784
Other	56	292	9,428	239	10,015	-	30,139	30,139	40,154
Total expenses before allocation of administrative and general	1,684,873	2,146,162	336,502	595,083	4,762,620	48,034	815,598	863,632	5,626,252
Allocation of administrative and general	<u>243,556</u>	<u>364,517</u>	<u>40,426</u>	<u>153,849</u>	<u>802,348</u>	<u>13,250</u>	<u>(815,598)</u>	<u>(802,348)</u>	<u>-</u>
Total expenses	<u>\$ 1,928,429</u>	<u>\$ 2,510,679</u>	<u>\$ 376,928</u>	<u>\$ 748,932</u>	<u>\$ 5,564,968</u>	<u>\$ 61,284</u>	<u>\$ -</u>	<u>\$ 61,284</u>	<u>\$ 5,626,252</u>

See accompanying notes to financial statements.

**FUTURES, INC.**

**Statements of Cash Flows**

**For the years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ <u>656,031</u>	\$ <u>669,461</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	246,880	212,834
Loss on sale of real property	72,366	-
Unrealized loss (gain) on investments	9,115	(18,527)
Realized (gain) on investments	(5,061)	(4,691)
Donations restricted for purchase of capital assets	(85,644)	(477,494)
(Increase) in accounts receivable	(675,698)	(200,593)
(Increase) in inventory	(64,400)	(3,699)
Decrease in prepaid assets and other current assets	13,667	22,383
(Increase) in assets held in trust	(36,692)	(24,969)
(Decrease) increase in accounts payable and accrued expenses	(68,635)	88,330
Increase in refundable advances	787,549	-
(Decrease) increase in deferred revenue	(25,000)	25,000
Increase in due to officer	36,692	24,969
Total adjustments	<u>205,139</u>	<u>(356,457)</u>
Net cash provided by operating activities	<u>861,170</u>	<u>313,004</u>
Cash flows from investing activities:		
Proceeds from sale of investments	39,322	141,608
Purchase of investments	(130,748)	-
Purchase of property and equipment	(248,587)	(895,288)
Proceeds from sale of real property	176,353	-
Deposit on building	(25,000)	-
Net cash (used) by investing activities	<u>(188,660)</u>	<u>(753,680)</u>
Cash flows from financing activities:		
Proceeds from line of credit	1,523,500	1,259,000
Repayment of line of credit	(1,373,500)	(1,159,000)
Donations restricted for purchase of capital assets	85,644	477,494
Principal payments on notes payable	(201,623)	(85,365)
Net cash provided by financing activities	<u>34,021</u>	<u>492,129</u>
Net increase in cash and cash equivalents	706,531	51,453
Cash and cash equivalents, beginning of year	<u>259,318</u>	<u>207,865</u>
Cash and cash equivalents, end of year	<u>\$ 965,849</u>	<u>\$ 259,318</u>
<b><u>Supplemental disclosures</u></b>		
Cash paid during the period for:		
Interest expense	<u>\$ 34,942</u>	<u>\$ 46,765</u>
Non-cash investing and financing activities:		
Acquisition of property and equipment through debt financing	<u>\$ 75,907</u>	<u>\$ 24,343</u>

**See accompanying notes to financial statements.**

# FUTURES, INC.

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of organization

Futures, Inc. (the Organization) was organized on May 9, 1997 as a nonprofit, nonstock corporation to improve the quality of life of individuals with disabilities, as well as their families, through community-based services. Effective May 2, 2006, Futures School became an approved special education program by the State of Connecticut Board of Education.

On February 7, 2012 Futures, Inc. became the sole member of Good Cause Gifts, LLC. This entity operates retail stores located in Berlin and New Britain, Connecticut with the primary purpose of helping individuals with disabilities live fully integrated lives within their local community by offering employment opportunities and social activities.

#### Summary of significant accounting policies:

##### Basis of accounting and presentation

The accounts of the Organization are maintained, and the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting. The Organization reports 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. They are described as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Good Cause Gifts, LLC is a disregarded entity. As such, its revenue and expenses are included as part of the Organization's financial statements.

##### Recent accounting pronouncements adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* including amendments. This update establishes a comprehensive revenue recognition standard. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization implemented this ASU using a modified retrospective method of application as of July 1, 2019.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. If the transaction is deemed to be a contribution, the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU will assist in the determination of the nature of the transaction, which will then govern the revenue and expense recognition methodology and timing of the transaction. This ASU was adopted on July 1, 2019.

The adoption of these standards did not have a material impact on our financial position or results of operations for any periods presented and a cumulative adjustment was not recorded to our beginning net asset balance.

## **FUTURES, INC.**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

#### **Use of estimates**

The preparation of the 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.

#### **Income taxes**

The Organization has received exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi).

Management has reviewed the Organization's reporting and believe they have not taken tax positions that are more likely than not to be determined to be incorrect by the Internal Revenue Service and therefore, no adjustments or disclosures are required. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

Futures, Inc. is the sole member of Good Cause Gifts, LLC and therefore, Good Cause Gifts, LLC is disregarded for income tax purposes.

#### **Cash and cash equivalents**

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments available for current use, with an initial maturity of three months or less when purchased, to be cash equivalents.

#### **Accounts receivable**

The Organization has accounts receivable related to grants and third party tuition reimbursements. Based on historical experience, grants are considered fully collectible. Management performs an assessment of collectability related to other receivables and will write off receivables from individuals and other sources after all attempts at collection are exhausted. When appropriate, management maintains an allowance for doubtful accounts, which is based on a review of significant delinquent balances and past collection experience. The allowance for doubtful accounts at June 30, 2020 and 2019 was \$23,000.

#### **Investment valuation and income recognition**

Investments are reported at fair value. Fair value is 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.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gain (loss) on investments is reported net of related expenses, which totaled \$6,436 and \$6,821 for the years ended June 30, 2020 and 2019, respectively.

#### **Inventories**

Inventory consists of retail goods held for sale at Good Cause Gifts, LLC retail sites in Berlin and New Britain, Connecticut. Retail store inventory items are valued at cost using the first in, first out method.

#### **Property and equipment**

The Organization follows the practice of capitalizing all property and equipment with a cost exceeding \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets with a range in lives from 3 to 30 years. Repairs and maintenance are charged to expense as incurred.

## **FUTURES, INC.**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

#### **Realization of long-lived assets**

Management evaluates the long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of an asset may not be recoverable. There were no impairment losses related to long-lived assets as of June 30, 2020 and 2019.

#### **Refundable advances**

The Organization presents refundable advances when grant advances and other revenue exceed the eligible costs incurred. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors.

#### **Deferred revenue**

The Organization defers grant advances and other revenue which exceeds the eligible costs incurred. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors.

#### **Debt issuance costs**

In connection with the issuance of the mortgages and notes payable, the Organization incurred debt issuance costs. These costs, net of accumulated amortization, are reported as a direct reduction of the amount of long-term debt. These costs are reflected as a component of interest expense and are computed using the straight line basis over the term of the related loan.

#### **Revenue recognition**

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

The Organization receives contributions to support operating activities and capital projects. These contributions can be from individuals, foundations, corporations or trusts. The Organization records contributions receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts with a measurable performance or other barrier and right of return are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

The Organization reports gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets, as support without donor restrictions if all such donor restrictions are met in the year the award is received. Gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets are reported as net assets with donor restrictions if such donor stipulations are not fully met in the year the award is received. 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 statements of activities as net assets released from restrictions.

Contributed services are recognized in the financial statements if they enhance 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. General volunteer services do not meet these criteria for recognition. However, many volunteers have donated significant amounts of time in supporting the Organization's mission and fundraising campaign.

## FUTURES, INC.

### Notes to Financial Statements

June 30, 2020 and 2019

#### *Futures School revenue*

The Organization recognizes revenue from student tuition and fees during the year in which the related services are provided to students. Contracts for tuition and transportation services are in place for each academic year, which are based on the Organization's fiscal year end and are satisfied as of June 30<sup>th</sup>. Contracts for tuition and transportation services include a fixed annual tuition rate and a fixed daily transportation rate. The Organization bills in advance for tuition and in arrears for transportation and issues monthly invoices to the respective Board of Education for tuition and transportation services provided to students. Payments are due within 30 days of the invoice date. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Tuition and transportation services are payable unless specified school staff members convene and agree to withdraw the student from Futures School, at which point the contract would terminate. Tuition due to the Organization for services provided represents contract assets and is recorded as accounts receivable.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

#### *Government grant and contracts*

The Organization receives grant and contract funding from various federal and state governments which may be considered exchange transactions or contributions. The funding received is to provide a variety of program services to the public based on certain performance requirements included in the agreement and/or the incurrence of allowable qualifying expenses and other requirements. Grants and contracts considered to be contributions are representative of nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as revenue when conditions are satisfied, typically when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization recognizes grants and contracts considered to be exchange transactions once the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided. The revenue recognized would be reported at the amount reflecting the consideration the Organization expects to receive in exchange for the services provided.

Conditional government grants and contracts not recognized as of June 30, 2020 totaled \$2,746,720.

The Organization received Paycheck Protection Program (PPP) funds from the SBA in April 2020 that is being accounted for as a contribution under ASC 958-605 and is shown as a refundable advance within the statements of financial position. See Note 8 for additional information on the PPP funds.

#### *Special events*

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to the donors when the special event takes place. The Organization recognizes the contribution element of special events revenue immediately, unless there is a right of return if the special event does not take place.

#### *Gift shop sales*

Revenues derived from Good Cause Gifts' sales are recognized as goods are delivered to the buyer, which occurs simultaneously with receipt of payment at the point of sale. As such, there are no contract assets or liabilities related to gift shop sales.

# FUTURES, INC.

## Notes to Financial Statements

June 30, 2020 and 2019

### Cost settlement

The Organization is subject to cost settlement procedures prescribed by various agencies of the State of Connecticut. Management estimates that no cost settlement is due for the years ended June 30, 2020 and 2019.

### Advertising expense

The Organization expenses advertising costs as incurred. Advertising expenses totaled \$29,910 and \$30,977 for the years ended June 30, 2020 and 2019, respectively.

### Functional allocation of expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities and by nature and function in the statements of functional expenses. The Organization charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs are those that can be specifically identified as being incurred for the activities of that program or supporting service. Other costs incurred that benefit more than one program or supporting service are allocated. Expenses allocated based on square footage include occupancy charges, building operations, depreciation and amortization related to buildings that are owned by the Organization. Occupancy charges, building operations and depreciation related to buildings that are rented by the Organization are allocated based on the percentage of a program revenue at the location to the total. Salaries, not directly charged, are allocated on the basis of estimates of time and effort. Employee benefits are allocated based on the program percentage of salary. Administrative and general expenses are allocated based on the percentage of a program revenue to the total. The Organization reevaluates its allocation method each year.

### NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization manages its liquid resources by focusing on collecting receivables timely to maximize the cash collections due to the Organization. The Organization prepares budgets and monitors expenses. The Organization maintains a revolving line of credit to assist in meeting cash needs if they experience a lag between the receipt of contributions and grants and the payment of costs, which will be a last resort option for the Organization.

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 965,849	\$ 259,318
Accounts receivable, net	1,215,055	539,357
Operating investments	<u>560,625</u>	<u>477,190</u>
	<u>2,741,529</u>	<u>\$1,275,865</u>

### NOTE 3 – CONCENTRATIONS

The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federal depository insurance limits. At June 30, 2020 the cash balance exceeded the federally insured limit by \$471,680.

A substantial portion of the Organization's revenue is derived from grant contracts. Since the contracts are evidenced by signed contracts with government and other agencies, management believes there is nominal credit risk associated with any outstanding grants receivable. For the years ended June 30, 2020 and 2019, approximately 27% and 29% of its revenue is due from the State of Connecticut Department of Developmental Services (DDS), respectively. Approximately 9% and 6% of its accounts receivable is due from DDS, respectively.

# FUTURES, INC.

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 4 – FAIR VALUE MEASUREMENT

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy 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 Organization 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 asset 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's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Mutual funds:* Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the custodian are open-end mutual funds that are registered with the Securities and Exchange Commission. These are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the custodian are deemed to be actively traded.

*Money market funds:* Money market funds are valued at the quoted net asset value of shares held.

There have been no changes in the methodologies used at June 30, 2020 and 2019.

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

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2020 and 2019.

	Assets at fair value as of June 30, 2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$560,625	\$ -	\$ -	\$560,625
Mutual funds (held by Rabbi Trust)	224,293	-	-	224,293
Money market funds (held by Rabbi Trust)	<u>100,346</u>	<u>-</u>	<u>-</u>	<u>100,346</u>
Total assets at fair value	<u>\$885,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$885,264</u>

**FUTURES, INC.**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Fair value measurement, continued**

Assets at fair value as of June 30, 2019				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$555,099	\$ -	\$ -	\$555,099
Mutual funds (held by Rabbi Trust)	209,732	-	-	209,732
Money market funds (held by Rabbi Trust)	<u>78,215</u>	<u>-</u>	<u>-</u>	<u>78,215</u>
 Total assets at fair value	 843,046	 -	 -	 843,046
Less: margin debit	<u>(77,909)</u>	<u>-</u>	<u>-</u>	<u>(77,909)</u>
 Net assets at fair value	 <u>\$765,137</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$765,137</u>

There were no transfers of investments between levels during the years ended June 30, 2020 and 2019.

The Organization had a margin debit balance of \$0 and \$77,909 as of June 30, 2020 and 2019, respectively. This is the amount owed to the Organization's brokerage service provider based on margin trades executed for which there was not enough cash holdings.

**NOTE 5 – ACCOUNTS RECEIVABLE/DDS BRIDGE FUNDING ADVANCES**

The Organization retains bridge funding advances from DDS to fund the cash flow requirements of the Organization's DDS programs in the amount of \$135,200 as of June 30, 2020 and 2019.

As shown below, these advances are offset against DDS accounts receivable on the accompanying statements of financial position.

	<u>2020</u>	<u>2019</u>
DDS accounts receivable	\$ 239,293	\$ 167,690
Less: DDS advance	<u>(135,200)</u>	<u>(135,200)</u>
Net DDS receivable	104,093	32,490
 Tuition and fees accounts receivable	 1,078,275	 403,803
Other receivables	55,687	126,064
Less: allowance for doubtful accounts	<u>(23,000)</u>	<u>(23,000)</u>
 Accounts receivable, net	 <u>\$1,215,055</u>	 <u>\$539,357</u>

# FUTURES, INC.

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 409,096	\$ 497,974
Building and building improvements	1,918,274	1,859,058
Leasehold improvements	19,689	11,260
Furniture and fixtures	611,398	380,443
Vehicles	974,217	888,310
Construction in progress	<u>10,740</u>	<u>287,595</u>
	3,943,414	3,924,640
Less: accumulated depreciation	<u>(1,414,919)</u>	<u>(1,230,307)</u>
Property and equipment, net	<u>\$ 2,528,495</u>	<u>\$ 2,694,333</u>

Depreciation expense was \$246,880 and \$212,834 for the years ended June 30, 2020 and 2019, respectively.

Construction in progress at June 30, 2020 included costs related to their commitment to acquire the property located on 121 Tremont Street in Hartford, Connecticut. Construction in progress at June 30, 2019 included costs related to building improvements, furniture and equipment at the property in Norwich, Connecticut, leasehold improvements to Futures School in West Hartford, Connecticut, and building improvements at the property in Middletown, Connecticut. The construction in progress at June 30, 2019 was transferred to building improvements, leasehold improvements and furniture and fixtures during the year and the assets were placed into service. Depreciation commenced when the assets were placed in service.

### NOTE 7 – LINE OF CREDIT

The Organization has a revolving line of credit for \$250,000 with People's United Bank through November 2021. Borrowings under the line bear interest at a rate equal to 1.50% above the Wall Street Journal Prime Rate, presently 4.75%, and are collateralized by all assets of the Organization. As of June 30, 2020 and 2019 the outstanding balance was \$250,000 and \$100,000, respectively.

### NOTE 8 – REFUNDABLE ADVANCES

#### Coronavirus Relief Funds

The Organization received federal coronavirus relief funds for fiscal year ended June 30, 2020. The funds were to be spent on PPE and related Covid expenditures. The Organization received \$26,221 of which \$3,472 was spent in fiscal year ended June 30, 2020. The remaining balance of \$22,749 is deemed a refundable advance for the year ended June 30, 2020.

#### Paycheck Protection Program

On April 16, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$764,800 granted by the U.S. Small Business Administration (the SBA) pursuant to Title 1 of the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). While the Paycheck Protection Program funds are known as a loan, the Organization is treating them as a cost-reimbursement grant from the government for accounting purposes. Management considers PPP loans to be conditional contributions, with a right-of-return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include qualifying expenses to be used to pay for payroll costs, including salaries, commissions and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. Management considers the review of the Organization's application for forgiveness by the lender and the SBA, as well as potential audits, to be administrative in nature rather than barriers to entitlement.

**FUTURES, INC.**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Paycheck Protection Program, continued**

While the primary barriers are identifiable, the evolving nature of guidance has not been adequately met at June 30, 2020. Accordingly, for the year ended June 30, 2020, the Organization did not recognize any contribution income as management had not yet concluded that any portion of the barriers has been met with certainty. The balance of the PPP loan is reported as a refundable advance in the accompanying statements of financial position.

At the time of issuance of the financial statements, notice of forgiveness has not been received from the lender. If not forgiven, the lending institution will provide the Organization with a schedule of payments once the amounts to be forgiven have been determined and the principal balance to be repaid becomes known. Any portion of the loan that must be repaid will bear interest at the rate of 1% per annum and shall be due and payable in full in April 2022. At June 30, 2020 this represents a conditional government grant not recognized in the amount of \$764,800.

**NOTE 9 – LONG-TERM DEBT**

	<u>2020</u>	<u>2019</u>
5.50% mortgage payable to People’s United Bank in equal monthly installments of \$1,167, including principal and interest through July 2020. The mortgage is collateralized by the property at 119-121 Lebanon Avenue, Colchester, Connecticut. The mortgage was paid off in September 2019.	\$ -	\$115,423
3.99% mortgage payable to People’s United Bank in equal monthly installments of \$2,672, including principal and interest through May 2020. The mortgage is collateralized by the property at 158 Broad Street, Middletown, Connecticut and requires the Organization to maintain certain financial ratios.	-	28,808
4.50% mortgage payable to People’s United Bank in equal monthly installments of \$1,750, including principal and interest through October 2022 at which time interest will be calculated at the FHLBB Classic Advance Rate plus 2.50%. The mortgage is collateralized by the property at 902 South Quaker Lane, West Hartford, Connecticut.	251,890	260,391
Various notes payable to finance companies in equal monthly installments ranging from \$322 to \$749, including principal and interest at rates of 0.00% to 5.79%. The notes are collateralized by vehicles and are due on various dates from October 2020 through September 2025.	<u>148,849</u>	<u>121,833</u>
Less: deferred financing costs	<u>400,739</u>	<u>526,455</u>
	-	(1,330)
Less: current portion	<u>400,739</u>	<u>525,125</u>
	<u>(61,926)</u>	<u>(89,304)</u>
	<u>\$ 338,813</u>	<u>\$ 435,821</u>

Future maturities of the long-term debt are as follows:

2021	\$ 61,926
2022	45,600
2023	43,291
2024	25,748
2025	23,775
Thereafter	<u>200,399</u>
Total	<u>\$400,739</u>

Interest expense was \$34,942 and \$46,765 for the years ended June 30, 2020 and 2019.

## FUTURES, INC.

### Notes to Financial Statements

June 30, 2020 and 2019

#### NOTE 10 – OPERATING LEASES

The Organization leased a day program facility from an unrelated third party in New London, Connecticut and was responsible for certain operating costs such as maintenance and insurance. Monthly rent was \$1,600 on a month-to-month basis. The Organization vacated the leased facilities in June 2019 ending the lease.

The Organization has an operating lease agreement with an unrelated party in West Hartford, Connecticut for fifteen years through August 2028. Monthly rent is \$10,045 and escalates annually. The facility is used to operate Futures' School.

The Organization has an operating lease agreement with an unrelated party to rent a store at the Hospital for Special Care in New Britain, Connecticut through May 2020. Monthly rent is \$567. The space is used to operate a Good Cause Gifts, LLC shop.

In June 2020, the Organization entered into a sublease with Nutmeg State Financial Credit Union to rent a store in West Hartford, Connecticut through October 2023. Monthly rent is \$4,500. The space will be used to operate a Good Cause Gifts, LLC shop.

Related rent expense for the years ended June 30, 2020 and 2019 was \$132,052 and \$134,101, respectively.

Future minimum lease payments due under all noncancelable operating leases are as follows:

2021	\$ 178,155
2022	177,273
2023	142,893
2024	126,513
2025	128,133
Thereafter	<u>427,658</u>
Total	<u>\$1,180,625</u>

#### NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$25,000 at June 30, 2020 are restricted for the purpose of providing virtual services to individuals with intellectual disabilities in the Greater Hartford area in response to the coronavirus pandemic.

#### NOTE 12 – RELATED PARTY TRANSACTIONS

One of the Organization's board members provides psychologist services to the Organization's clients and is paid on a flat retainer basis plus expense reimbursement. The total amount paid under the retainer was \$20,000 for each year ended June 30, 2020 and 2019. Expense reimbursements totaled \$7,959 and \$7,806 for the years ended June 30, 2020 and 2019, respectively.

The Organization hired an employee to perform some repair and maintenance projects. Total payments made to the employee were \$58,880 and \$66,100 for the years ended June 30, 2020 and 2019, respectively.

#### NOTE 13 – EMPLOYEE BENEFIT PLAN

The Organization maintains a defined contribution pension plan available to all salaried full-time employees. The Organization's contributions to the plan totaled \$73,447 and \$54,802 for the years ended June 30, 2020 and 2019, respectively.

## **FUTURES, INC.**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

#### **NOTE 14 – NONQUALIFIED DEFERRED COMPENSATION PLAN**

Effective January 1, 2007, the Organization established a nonqualified deferred compensation plan for the benefit of the Organization's Executive Director. Benefits under the plan are only available to the Executive Director upon her death, severance from employment or in the case of an unforeseeable emergency. The Organization contributed \$18,333 and \$17,500 to this plan during the fiscal years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019 dividends, interest and market appreciation net of investment fees were \$12,358 and \$8,928, respectively. As of June 30, 2020 and 2019, the value of the funds contributed and earned by the plan was \$324,639 and \$287,947, respectively. The total amount of this plan is referenced as due to officer on the statements of financial position.

#### **NOTE 15 – COMMITMENTS**

In February 2020, the Organization entered into a contract to purchase the property located on 121 Tremont Street in Hartford, Connecticut and made a deposit of \$25,000, which is included in other assets on the statements of financial position. The contracted purchase price is \$500,000. The Organization has plans to use the property to expand Futures School.

#### **NOTE 16 – RISKS AND UNCERTAINTIES**

Recently, the outbreak of the novel coronavirus has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. Depending on the severity and length of the outbreak, the novel coronavirus could present material uncertainty and risk with respect to this entity and its operations and financial results.

#### **NOTE 17 – SUBSEQUENT EVENTS**

##### **Evaluation of subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through January 29, 2021, which is the date the financial statements were available to be issued.

In July 2020, the Organization entered into an agreement for a revolving line of credit for \$400,000 with Liberty Bank. The line of credit is collateralized by all inventory, chattel paper, accounts, equipment and general intangibles of the Organization. Borrowings under the line of credit bear interest at a rate equal to 2.50% above the Wall Street Journal prime rate and will not be less than 4.00% at any time.

**SUPPLEMENTARY INFORMATION**

**FUTURES, INC.**

**Schedule of Expenditures of State Financial Assistance**

**For the fiscal year ended June 30, 2020**

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<u>State Grantor Pass-Through Grantor Program Title</u>	<u>State Grant Program CORE - CT Number</u>	<u>Passed through Subrecipients</u>	<u>Expenditures</u>
Department of Developmental Services:			
Employment Opportunities and Day Services:			
Grant Funds	11000-DDS50000-16108	\$ -	\$1,629,606
Fee for Service	11000-DDS50000-16108	-	78,406
Community Residential Programs:			
Individual Home Supports	12060-DDS50000-90678	-	132,316
Office of Policy and Management:			
Nonprofit Grant Program	12052-OPM20830-43574	<u>-</u>	<u>85,644</u>
 Total State Financial Assistance		<u>\$ -</u>	<u>\$1,925,972</u>

See notes to schedule.

## **FUTURES, INC.**

### **Notes to the Schedule of Expenditures of State Financial Assistance**

**For the year ended June 30, 2020**

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of Futures, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including day and residential programs.

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Futures, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

#### **Basis of accounting**

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

#### **NOTE 2 – BRIDGE FUNDING ADVANCES**

DDS bridge funding advances have been provided to Futures, Inc. totaling \$135,200 to assist in cash flow needs. For financial statement purposes, this amount is an offset against DDS accounts receivable.



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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Futures, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Futures, Inc., which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Futures, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Futures, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Futures, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Finding numbers 2020-01 and 2020-02.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Futures, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Futures, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Futures, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Guilmodiu D.P. + Sokolowski, LLC

Middletown, Connecticut  
January 29, 2021



GUILMARTIN ▪ DIPIRO ▪ SOKOLOWSKI LLC

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Directors of  
Futures, Inc.:

**Report on Compliance for Each Major State Program**

We have audited Futures, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Futures, Inc.'s major state programs for the year ended June 30, 2020. Futures, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Futures, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Futures, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Futures, Inc.'s compliance.

**Opinion on Each Major State Program**

In our opinion, Futures, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

**Report on Internal Control over Compliance**

Management of Futures, Inc., is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Futures, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Futures, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying findings and questioned costs as items 2020-01 and 2020-02 that we consider to be significant deficiencies.

Futures, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Futures, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

*Guilmodio DiPaola + Sokolowich, LLC*

Middletown, Connecticut  
January 29, 2021

**FUTURES, INC.**

**Schedule of Findings and Questioned Costs**

**For the year ended June 30, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        x   No
- Significant deficiency(ies) identified?   x   Yes      \_\_\_\_\_ None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        x   No

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes        x   No
- Significant deficiency(ies) identified?   x   Yes      \_\_\_\_\_ None reported

Type of auditor's opinion issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?   x   Yes      \_\_\_\_\_ No

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State CORE - CT Number</u>	<u>Expenditures</u>
Department of Developmental Services:		
Employment Opportunities and Day Services:		
Grant Funds	11000-DDS50000-16108	\$1,629,606
Fee for Service	11000-DDS50000-16108	78,406
Community Residential Programs:		
Individual Home Supports	12060-DDS50000-90678	132,316

Dollar threshold used to distinguish between type A and type B programs: \$200,000

**2. FINANCIAL STATEMENT FINDINGS**

***Finding No. 2020-01:***

*Grantor:* State Department of Developmental Services  
*State Program Names:* Employment Opportunities and Day Services and Community Residential Programs  
*Pass-through Entity:* None  
*State Grant Program CORE-CT Numbers:* 11000-DDS50000-16108 and 12060-DDS50000-90678

**Criteria**

During our testing of the Cost Allocation Plan (CAP), we noted certain grant expenditures were not allocated in an accurate and timely manner.

**Condition**

The Organization maintains a CAP however, at times, management does not adhere to the CAP in a timely manner.

FUTURES, INC.

Schedule of Findings and Questioned Costs, Continued

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**Context**

We noted differences between CAP allocations and grant expenditure allocations.

**Effect**

All grant allocations must be complete and accurate to ensure all expenditures are within grant expenditure guidelines and reported appropriately to the grantors in the correct period.

**Cause**

Breakdown in controls and procedures related to following the CAP consistently and timely.

**Auditor's Recommendation**

The Organization should follow the established CAP on a timely basis to ensure accurate grant reporting.

**Views of Responsible Officials and Planned Corrective Action**

Management has allocated additional resources to the accounting department and is providing additional training to staff related to the CAP and the proper allocation of costs.

***Finding No. 2020-02:***

*Grantor:* State Department of Developmental Services

*State Program Names:* Employment Opportunities and Day Services and Community Residential Programs

*Pass-through Entity:* None

*State Grant Program CORE-CT Numbers:* 11000-DDS50000-16108 and 12060-DDS50000-90678

**Criteria**

Financial close procedures.

**Condition**

General ledger accounts were either not reconciled, or not reconciled on a timely basis.

**Context**

Financial reports presented to management and the Board of Directors during the year were not accurate as a result of the general ledger accounts not being reconciled, or not being reconciled on a timely basis.

**Effect**

Management did not have accurate financial reports during the year to use to make financial decisions.

**Cause**

Breakdown in controls and procedures related to financial close procedures.

**Auditor's Recommendation**

General ledger accounts should be reconciled timely during the year so that accurate financial reports are provided to management each month.

**Views of Responsible Officials and Planned Corrective Action**

Management has allocated additional resources to the accounting department to improve the reconciliation process.

**3. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

***Finding No. 2020-01:***

*Grantor:* State Department of Developmental Services

*State Program Names:* Employment Opportunities and Day Services and Community Residential Programs

*Pass-through Entity:* None

*State Grant Program CORE-CT Numbers:* 11000-DDS50000-16108 and 12060-DDS50000-90678

FUTURES, INC.

Schedule of Findings and Questioned Costs, Continued

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**Criteria**

During our testing of the Cost Allocation Plan (CAP), we noted certain grant expenditures were not allocated in an accurate and timely manner.

**Condition**

The Organization maintains a CAP however, at times, management does not adhere to the CAP in a timely manner.

**Context**

We noted differences between CAP allocations and grant expenditure allocations.

**Effect**

All grant allocations must be complete and accurate to ensure all expenditures are within grant expenditure guidelines and reported appropriately to the grantors in the correct period.

**Cause**

Breakdown in controls and procedures related to following the CAP consistently and timely.

**Auditor's Recommendation**

The Organization should follow the established CAP on a timely basis to ensure accurate grant reporting.

**Views of Responsible Officials and Planned Corrective Action**

Management has allocated additional resources to the accounting department and is providing additional training to staff related to the CAP and the proper allocation of costs.

***Finding No. 2020-02:***

*Grantor:* State Department of Developmental Services

*State Program Names:* Employment Opportunities and Day Services and Community Residential Programs

*Pass-through Entity:* None

*State Grant Program CORE-CT Numbers:* 11000-DDS50000-16108 and 12060-DDS50000-90678

**Criteria**

Financial close procedures.

**Condition**

General ledger accounts were either not reconciled, or not reconciled on a timely basis.

**Context**

Financial reports presented to management and the Board of Directors during the year were not accurate as a result of the general ledger accounts not being reconciled, or not being reconciled on a timely basis.

**Effect**

Management did not have accurate financial reports during the year to use to make financial decisions.

**Cause**

Breakdown in controls and procedures related to financial close procedures.

**Auditor's Recommendation**

General ledger accounts should be reconciled timely during the year so that accurate financial reports are provided to management each month.

**Views of Responsible Officials and Planned Corrective Action**

Management has allocated additional resources to the accounting department to improve the reconciliation process.

**FUTURES, INC.**

**Summary Schedule of Prior Audit Findings**

**For the fiscal year ended June 30, 2020**

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***Finding No. 2019-01***

**Condition**

The Organization maintains a CAP however, at times, management does not adhere to the CAP in a timely manner.

**Current Status**

Corrective action is in process. See also Finding No. 2020-01.

**Planned Corrective Action**

Management has allocated additional resources to the accounting department and is providing additional training to staff related to the CAP and the proper allocation of costs.

***Finding No. 2019-02***

**Condition**

The Organization did not report its related party transactions to DDS in accordance with the Independent Contractor/Consultant Ethics Compliance Protocol.

**Current Status**

Corrective action is in process. See also Finding No. 2020-02.

**Planned Corrective Action**

Management has allocated additional resources to the accounting department to improve the reconciliation process.

## EXHIBIT 2

### Norwich CDBG 2021-2022

### Futures Inc. Application

#### Insurance Bond/Worker's Compensation

State whether or not the agency has liability insurance coverage, in what amount and with what insuring agency.

**YES, the organization has liability insurance coverage. The amount is (including umbrella) is \$3,000,000. Insurance agent agency is USI Insurance Services.**

State whether or not the agency pays all payroll taxes and worker's compensation as required by Federal and State Law.

**YES, the organization pays all payroll taxes and worker's compensation as required by Federal and State Law.**

State whether or not the agency has fidelity bond coverage for principal staff who handle agency accounts, in what amount and with what insuring agency.

**YES, the organization has fidelity coverage for principal staff who handle the agency's accounts. The amount of coverage is \$2,000,000. Insurance agent agency is USI Insurance Services.**

Provide a copy of your current insurance certificate. **ATTACHED**



## DESCRIPTIONS (Continued from Page 1)

To the extent provided by endorsement/Form Listed:

**General Liability:**

PI-GLD-HS (10/11) General Liability Deluxe Endorsement: Human Services - Includes Additional Insureds Medical Directors and Administrators, Managers and Supervisors (with Fellow Employee Coverage), Broadened Named Insured, Funding Source, Home Care Providers, Managers, Landlords, or Lessors of Premises, Lessor of

Leased Equipment, Grantor of Permits, Vendor, Franchisor, When Required by Contract, Owners, Lessees, or Contractors, State or Political Subdivisions

**Auto**

PI-CA-001 (09/15) - Commercial Automobile Elite Endorsement Includes Blanket Waiver of Subrogation as required by written contract

**Umbrella**

PI-CXL-001 (03/14) - Umbrella Coverage Form - Follow Form

All liability policies (with the exception of Workers Compensation) shall include the Town of West Hartford, West Hartford Board of Education, and their respective boards, commissions, officers, officials, employees, agents, representatives, and volunteers as an Additional Insured.

**Internal Revenue Service**

**Date:** May 31, 2006

FUTURES INCORPORATED  
158 BROAD ST.  
MIDDLETOWN, CT 06457-3328

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**  
Delores Gaskins 31-07428  
Customer Service Specialist  
**Toll Free Telephone Number:**  
877-829-5500

**Federal Identification Number:**  
06-1484116

Dear Sir or Madam:

This is in response to your request of May 31, 2006, regarding your organization's tax-exempt status.

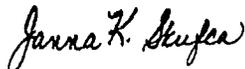
In July 1998 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under section 509(a)(2) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE  
Customer Account Services

Futures Inc  
902 South Quaker Lane  
West Hartford, CT 06110

Phone : 860 347 5099  
Fax : 860 519 0273  
Website : [www.futures-ct.org](http://www.futures-ct.org)



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## Board of Directors Positions and Affiliates: Business and Residence

**Anna Fazio**—Ex officio Parent of Child with a Disability  
Business: 263 Farmington Ave, Farmington CT 06030  
Residence: 49 Sunset Lane, Kensington, CT 06037  
Email: [asfazio@comcast.net](mailto:asfazio@comcast.net)  
Years on Board: 20

**Orville Karan**-President  
Psychologist (Co-Founder of Futures)  
Business: 249 Glenbrook Road, Unit 2064C, Storrs, CT 06269  
Residence: 180 Littel Acres, Glastonbury, CT 06033  
Email: [okaran@aol.com](mailto:okaran@aol.com)  
Years on Board:20

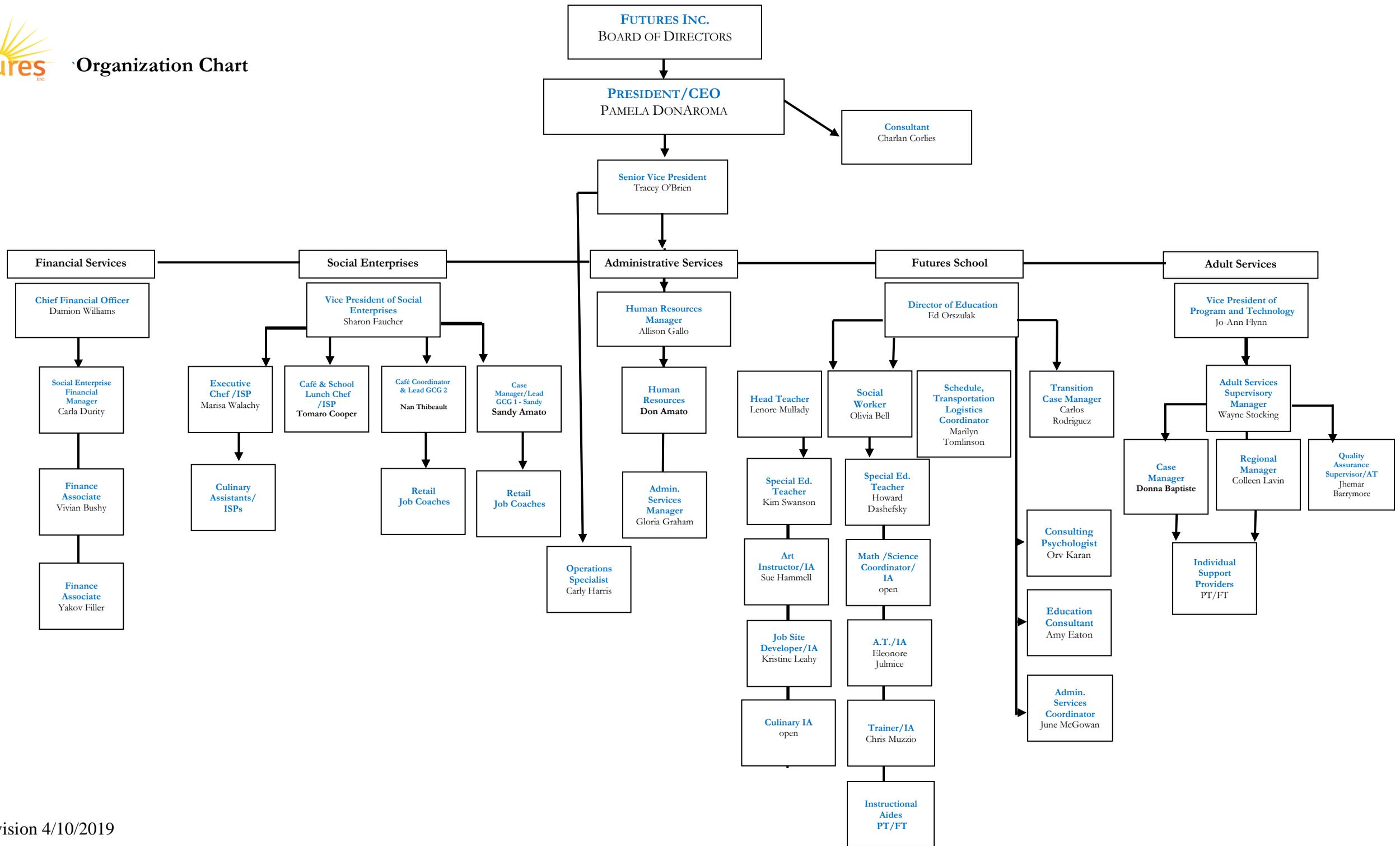
**Vice President:** Vacant – Currently Recruiting

**Cathy Jortner:** Secretary, parents of child with disability  
Business: Milpacking, 329 Sandbank Road, Cheshire, CT 06410  
Residence: 76 Schultz Road, Kensington, CT 06037  
Email: [cathyjortner@gmail.com](mailto:cathyjortner@gmail.com)  
Years on Board:10

**Andrew Jortner:** DDS/Self Advocate  
Business: 384 Main Street, Berlin, CT 06037  
Residence: 76 Schultz Road, Kensington, CT 06037  
Email: [ajortner@futures-ct.org](mailto:ajortner@futures-ct.org)  
Years on Board:5

**Karina Perry:** DDS/Self Advocate  
Business: 52 Fieldbrook Road, Middletown, CT 06457  
Residence: 52 Fieldbrook Road, Middletown, CT 06457  
Email: [kperry@futures-ct.org](mailto:kperry@futures-ct.org)  
Years on Board:4

**William McDougall:** Treasurer Years on Board: 2 year  
Business: Owner Farmers Insurance, (former manager Farmington Bank)  
Residence: 21 Hearthstone Court, Marion, CT 06444  
Email: [wmcDougall@farmersagent.com](mailto:wmcDougall@farmersagent.com)



**Damion Williams**  
**25 Hazel Street**  
**Hartford, CT 06106**  
**(860) 538-9749**

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**FINANCE MANAGER • ACCOUNTANT • PAYROLL MGR**

Skilled financial manager with 14 years accounting and payroll experience, devoted to improving daily operations and relationships with customers and vendors.

**Professional experience include:**

- Debt Analysis
- Team Leadership
- Profit & Loss Analysis
- Debtor Negotiations
- Budgeting
- Operating Budgets
- System Conversions
- Problem Resolution
- Audits
- Financial Reporting
- Collections
- Staff Training

**SELECTED ACCOMPLISHMENTS**

- Cut financial losses, which were due to the fact that the company was using different accounting methods as our Fiscal Intermediary. Managed the successful transition into a new automated payroll and accounting system.
- Created easy to read spreadsheets for management explaining program operations as well as outstanding receivables, which were vital in our successful collection of 4-year-old receivables.
- Lead successful system conversion which resulted in new integrated Accounting, Payroll, and Billing systems which afforded greater efficiency, reporting capabilities, and cost savings through the elimination of redundant processes.

**EDUCATION & TRAINING**

**AICPA – CPA Certification (PENDING)**

Currently Testing (1 of 4) Part Exam/Taking Online CPA Review Courses

**Masters in Accounting & Taxation**

University of Hartford 2013 – Present

**Public Housing Manager Certification**

National Association of Housing Redevelopment Officials (N.A.H.R.O) 2005

**Bachelor's Degree, Accounting**

Central Connecticut State University (2003)

**Associate's Degree, Accounting & Business Administration**

Manchester Community College (2000)

## **EXPERIENCE SUMMARY**

FUTURES, INC  
**Finance Manager**

2008–Present

Recruited to manage finance department and implement new system conversion and developed new accounting controls and processes to enhance efficiency and expand company reporting capabilities.

Primary Responsibilities:

- Prepare Financial Statements
- Process Payroll for Approximately 200 employees
- Process Monthly Billing
- Manage A/R, A/P
- Supervise Staff

HARTFORD HOUSING AUTHORITY/H.T.R.F  
**Accountant/Property Manager**

1999-2007

Manage 180-unit public housing development and performing accounting functions for monthly federal housing subsidy payment.

Primary Responsibilities:

- Prepare Monthly Financials
- Resolve tenant/unit issues.
- Perform Leasing/Occupancy functions
- Supervisor Staff
- Process Federal Reports
- Oversee REAC Inspections & Repairs

## **TECHNOLOGY PROFICIENCY**

Applications: Excel, Word, PowerPoint, Outlook, and Access

Accounting: Peachtree Accounting, QuickBooks, Sage/MIP Accounting

**PAMELA DONAROMA** Futures Inc., 902 South Quaker Lane, 06110  
Phone (860) 347-5099 Ext. 226 • Mobile (860) 614-1501 • pdonaroma@futures-  
ct.org

## EXECUTIVE EXPERIENCE

**Dynamic and innovative leader responsible for all aspects of agency communication, development, human resource management, governmental compliance, accreditation, and financial operations for a state wide agency that helps individuals with disabilities that includes 125 employees, annual budget of \$6M, secured assets totaling \$3M, a high school with an enrollment of 30+ students, three administrative offices, and 2 retail women's clothing and gift store, and two commercial training kitchens.**

**FUTURES INC.**, Middletown, CT-West Hartford, CT 1989 - Present **Executive Director**

- **1990** - Piloted an *Adult Services* program that initiated the first community-based assessments in Connecticut.
- **1997** - Founder of *Futures School*, Connecticut's first "school without walls", a community-based high school approved by Connecticut's Department of Education that is Nationally recognized for award-winning transition services on behalf of youth with disabilities by providing educational programming and vocational opportunities for youth aged 14-21.
- **2007** - Successfully advocated for legislation to set-aside employment opportunities on state contracts for individuals with disabilities and those economically disadvantaged.
- **2010** - Launched *Good Cause Gifts*, Connecticut's first nonprofit social enterprise that competitively employs individuals with disabilities in a retail enterprise with annual sales in excess of \$250,000.

**2018**- Expanded Good Cause Gifts into the Hospital for Special Care

**2019**- Launched the Kitchen at Futures, a nonprofit commercial kitchen with an operating Café at the Hospital for Special Care.

**EDUCATION** Ph.D. Coursework, Rehabilitation/Special Education, The University of Connecticut, Storrs, Connecticut M.S. in Management and Technology, Rensselaer Polytechnic Institute, Hartford, Connecticut M.Ed. in Vocational Rehabilitation Counseling, Northeastern University, Boston, Massachusetts B.S. in Psychology, The College of the Holy Cross, Worcester, Massachusetts

## PUBLICATIONS

Abrams, K., DonAroma, P., and Karan, O.C. (1997). Consumer choice as a predictor of job satisfaction and supervisor ratings for people with disabilities. *Journal of Vocational Rehabilitation*, 9, 205-215.

Abrams, K., DonAroma, P., and Karan, O.C. (1994). Person-Centered Situational Assessment: A new direction for vocational rehabilitation services. *Journal for Vocational Special Needs Education*, 16 (3), 27- 32.

DonAroma, P. and Karan, O.C. What is leadership in program development? Papanikou Center on Excellence in Developmental Disabilities, Farmington, CT. February 4, 2011.

DonAroma, P. and Karan, O.C. Futures Alternative Education Program. Paper presented at the 9th International Council for Exceptional Children Conference entitled Creating Amazing Transitions. Scottsdale, AZ. October 18, 1997.

**PAMELA DONAROMA** Futures Inc., 902 South Quaker Lane, WH  
06110 Phone (860) 347-5099 Ext. 226 • Mobile (860) 614-1501 •  
pdonaroma@futures-ct.org

Karan, O.C., DonAroma, P. and Roberts, L. (2013). Preparing students with disabilities for adulthood. *Children During Transition from Institutions to Community*. University of Ankara Press, Ankara, Turkey.

Karan, O.C. and DonAroma, P., Bruder, M.B. and Roberts, L. (2011) Transitional assessment model for students with severe and/or multiple disabilities: A Competency Based Community Assessment. *Intellectual and Developmental Disabilities*, Vol. 48 (5), 387-392.

Karan, O.C. and DonAroma, P. The challenges of taking on the status quo in transition programming. Papanikou Center on Excellence in Developmental Disabilities, Farmington, CT. February 4, 2011.

Karan, O.C. and DonAroma, P. Alternative Education Programs. Paper presented at the Annual Conference on Learning Disabilities for Parents, Persons with LD/ADHD, and Professionals entitled Navigating the Road of Life When its Hard to Read the Road Map. Naugatuck, CT. March 28, 2008.

Karan, O.C. and DonAroma, P., and Lawrence, M. Building alternative education programs for high-risk students. Paper presented at the Annual State Alternative Education Task Force Meeting. Albuquerque, NM. May 19, 1998.

Karan, O.C. and DonAroma, P. Alternative education strategies. Paper presented at the conference entitled Buildings a Future for Students with Brain Injury. Marlboro, MA. March 7, 1997.

Karan, O.C. and DonAroma, P. (1997) *Schooling Without Walls: A Curriculum for Transitioning to Adulthood*. Futures Inc., Middletown, CT.

## **PROFESSIONAL ENGAGEMENT**

Appointee, Council n Developmental Disabilities Services, State of CT 2018-present

Honoree, 16<sup>th</sup> Biennial Women in Leadership Luncheon, YWCA New Britain, 2015

Advisory Board Member of The University of Connecticut A.J. Papanikou Center for Excellence in Developmental Disabilities Education, Research, and Service, 2010-2019

Appointee, Commission for Persons with Disabilities, Berlin, CT, 2009-2014

Vice President, Connecticut Coalition for Inclusive Education (CCIE), 1999-2006

Board of Director, Brain Injury Alliance of Connecticut, 2000-2004

Advisor, The Connecticut State Advisory Council on Special Education, 1998-2002

Chair, CT Council on Developmental Disabilities (CTCDD), 1996-2007

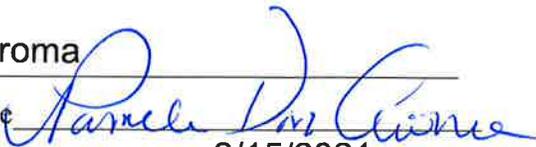
Board of Director, Board of Education, Berlin, CT, 1994-1995

Professional Membership: ARC CT Board; Conference of Connecticut Executives (CCE); Community Providers Association of Connecticut (CCPA-CT)

**NORWICH COMMUNITY DEVELOPMENT BLOCK GRANT  
APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
2021-2022 PROGRAM YEAR**

4. Have you read and understood the HUD regulation regarding conflict of interest, 24 CFR 570.611 (attached)?

Name of Applicant: Pamela DonAroma

Signature of Applicant's Representative 

Title President/CEO

Date 2/15/2021

**HUD REGULATION REGARDING CONFLICT OF INTEREST  
(NOT REQUIRED TO BE SUBMITTED WITH APPLICATION)**

§570.611 Conflict of interest.

(a) Applicability

(1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.

(2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.