

Community Alternatives, Inc.  
410 North Center Drive  
Suite 200, Norfolk, VA 23502  
**Tel** (757) 468-7000  
**Fax** (757) 468-7007  
[www.comalt.org](http://www.comalt.org)



# ANNUAL REPORT

FYE JUNE 30, 2021

*Our Mission: To provide responsive person centered services to improve the quality of life of individuals and families*

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# TO OUR STAKEHOLDERS

## To Our Stakeholders

Each year Community Alternatives, Inc. faces new challenges and this past year was no exception. We endured a full fiscal year operating in a pandemic. COVID curtailed our operations in many ways. North Carolina suspended all in-person outpatient services. In Virginia, the Day Program started the year closed as well. Residential Programs continued strict COVID protocols to keep both employees and consumers safe. CAI conducted limited furloughs and G&A open positions were not filled to ease the financial pressure of reduced operations. We also started the year continuing to pay COVID bonuses to employees with consumer contact. CAI also felt the pressure of an increasingly scarce labor market. Spending was curtailed at all levels of the organization

The situation improved as CAI moved further into its fiscal year. The forgiveness of the federal PPP loan late in the fiscal year helped us weather the early year closures and reduced revenue streams. CAI also applied for and received substantial COVID assistance from both the federal and state level. North Carolina was very generous to providers with an increased treatment rate retroactive to the beginning of the fiscal year. Our Day Program resumed operations and slowly began to grow. Negotiated rent reductions in Charlotte were instrumental in keeping the related programs viable. North Carolina also began to allow telemedicine treatment to replace the lost revenue due to outpatient closures. The generosity of donors was evident again resulting in the full use of our tax credits well before the end of the fiscal year.

Looking ahead, there are compelling challenges and opportunities for Community Alternatives, Inc. Continuing to keep our employees and the people we serve safe during the pandemic is CAI's highest priority. Our future growth and success will depend on our continued efforts in workforce development, creating efficiencies in existing work processes, developing new partnerships, expanding our service market through joint programming and launching new service ventures. With the support of our Board of Directors and community partners, we can strengthen our organization and fulfill our commitment to those we serve.

Vincent Gallo  
Chief Executive Officer

# FINANCIAL SUMMARY

## Financial Summary

CAI is reporting an increase in net assets of approximately \$2,830K for the Year ending June 30, 2021. That is \$3,334K over budget YTD and \$2,607K more than the same time period Last Year. While some areas of operations are doing well, this budget overage is due primarily to 3 things; State and Federal COVID Stimulus payments of \$1,585K received YTD and the forgiveness of a \$1.8M PPP loan late in the fiscal year. Without these funds CAI would be incurring a \$578K loss YTD. CAI also provided approximately \$276K in contributed care. Contributed care represents the services provided to clients that did not have Medicaid, insurance coverage, or the ability to pay.

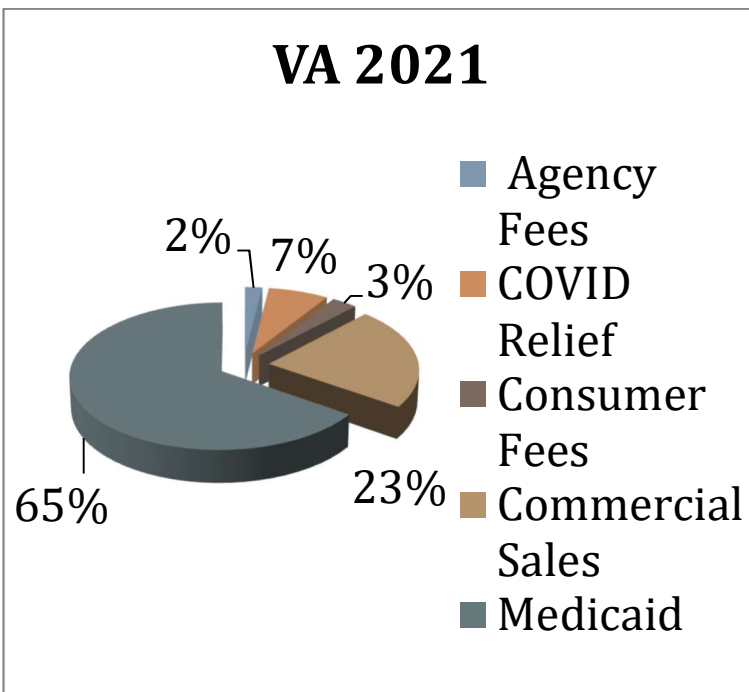
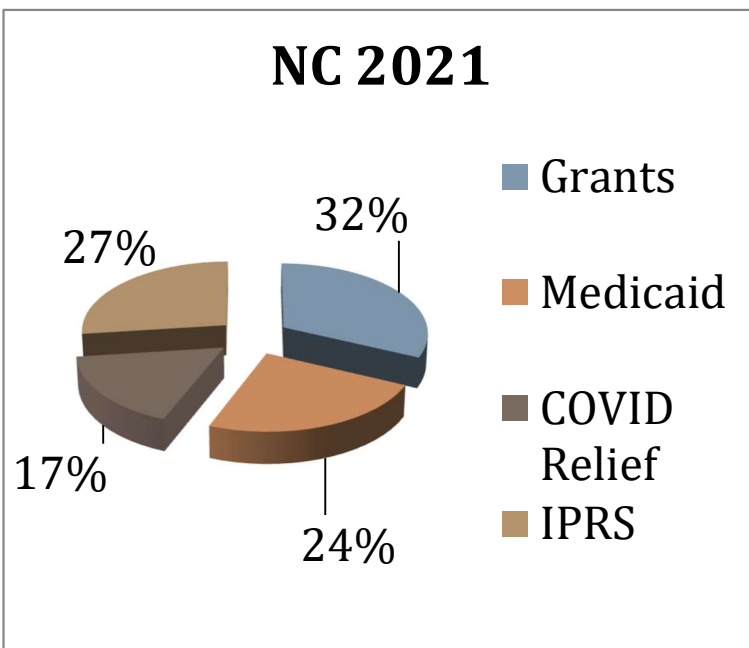
CAI experienced significant financial challenges during the 6/30/21 fiscal year. CAI's OUDP program in Virginia is currently mostly closed as are all out patient programs in NC. CAI has lost substantial revenue since COVID began. Support from Federal and State has been making up this shortfall. \$1,585K in Federal and State COVID assistance has been received through June and a \$1.8M PPP loan was forgiven late in the fiscal year. Without this assistance CAI would be showing a net loss.

Total YTD expenses YOY are down \$516K YTD when compared to the same time Last Year. Salaries and wages are the primary driver of this. This cost is down \$228K due to vacant positions and furloughs. This was offset by \$117K in salary/wages related that was booked to Little Creek for a contingent liability for a union pension settlement. It is important to note that even while salary and wages are down total COVID bonuses paid to employees for this fiscal year is \$441K through the end of April. Total bonuses paid since CAI began the program last year is \$555K. Consumer programs expenses are down \$155K primarily due to activities and food. "Eating Out" food is booked as food along with groceries and going out is way down.

As CAI heads into the new fiscal year it does so with good cash reserves (primarily COVID relief), returning operations and a hope that the pandemic begins to subside.

## EARNED REVENUE BY PAYER

### Earned Revenue by Payer



# 2021 HIGHLIGHTS

## 2021 Highlights

\*North Carolina staff managed program budgets effectively ending the year with a positive bottom line exceeding budget by \$1.5M. \$1.1M of the overage was due to various Federal and State COVID support programs

VA staff managed program budgets effectively ending the year with a Net Loss exceeding budget by \$44K. The closure of OUDP for most of the year curtailed VA revenue dramatically

\*Forgiveness of The \$1.8M PPP loan at the end of Fiscal provided CAI with considerable cash reserves going into the next year

\*New Benefit Portal implemented by Human Resources streamlined the enrollment process for staff and administration

Began to re open the VA OUDP program as vaccines rolled out

All NC Outpatient remained closed due to COVID

CAI went the entire year without utilizing the Line of Credit

CAI also provided approximately \$276K in contributed care. Contributed care represents the services provided to clients that did not have Medicaid, insurance coverage, or the ability to pay.

Independent Living in VA went through a restructuring. The program is now more effective and sustainable after this was implemented.

COVID Bonuses paid to front line workers exceeded a half of million by the end of Fiscal Year June, 30, 2021

NC Operations successfully passed their CARF accreditation for a 3 year period

# PERFORMANCE MEASURES























## Performance Measures

### Virginia Program Data

#### Community Alternatives, Inc.

#### Performance Indicators 2021

 Meets or Exceeds Standard
  Significant Progress Identified
  Below Acceptable Performance

Description	Metric			
Residential - 90% of individuals receiving treatment would say they had the ability to participate in developing their person-centered plan	>90%			
Residential -95% of individuals receiving treatment would say they access to all living areas in their home	>95%			
Residential -95% of individuals receiving treatment would say they access to food at any time	>95%			
Residential Program to produce results within the designated budget	Year End Measure			
Residential - 75% of Residential consumers able to participate in community engagement of their choice in accordance with their ISP (Unable to achieve due to COVID)	75% complete			
Residential - 100 % of consumers able to participate in community engagement at least twice a week (Unable to achieve due to COVID)	100% complete<2XWeek			
In-Home to operate within it's program budgets	Year End Measure			
In-Home - 90% of authorized hours will be used monthly per individual receiving services	90% complete per month			
In-home - 90% of individuals receiving treatment would say they had the ability to participate in developing their person-centered plan	= or > 90%			
In Home - 90% of Consumers agree/strongly agree satisfaction with service & treated well	90% agree/strongly agree			
In Home -95% Consumers agree/strongly agree satisfaction that their choices and preferences are honored by CAI	95% agree/strongly agree			
OU DP - 90% of individuals receiving treatment would say they had the ability to participate in developing their person-centered plan	= or > 90%			
OU DP – 90% Consumers agree/strongly agree they are satisfied with service & treated well	90% agree/strongly agree			
OU DP to operate within it's program budgets (Partially Open due to COVID)	Year End Measure			
OU DP – Consumers agree/strongly agree satisfaction that their choices and preferences are honored by CAI	80% agree/strongly agree			
Vocational Services - 90% of individuals receiving treatment would say they had the ability to participate in developing their person-centered plan	90% complete<48 hours			
Vocational Services to operate within it's program budgets	Year End Measure			
Vocational Services - 75% of the workforce will meet the classification of disabled	>75%			
Vocational Services - 95% of individuals receiving treatment Services would say they agree that their employment reflects their individual strengths, abilities and choices	90% agree/strongly agree			

#### Summary – VA Performance Measures:

# PERFORMANCE MEASURES

Monthly: Revenue goals fluctuated across VAP due to changes in programming related to the COVID 19 pandemic. In addition to the changes related to reduction in service hours for day programs and in-home supports, salary costs are higher than expected due to vacancies, bonus pay related to the pandemic and leave time paid to staff for COVID related issues

Due to the COVID 19 pandemic that began in March of 2020, and in accordance with the Governor's mandates and recommendations from DBHDs, VAP has not provided Community Engagement. Outings typically provided by residential and day services are also interrupted due to the COVID 19 pandemic and the associated recommendations and Governor mandates. Some individuals receiving in-home supports have elected not to receive services. Due to the changes related to programming, a satisfaction survey was not completed for the first two quarters of the fiscal year

An exception to the ratio of disabled workers to non-disabled workers was given by Source America due to the COVID 19 pandemic. The ratio of disabled workers to non-disabled workers at the end of this quarter is 50% for the agency. The ratio at the Ability One site, Little Creek, is 93%. The ratios were impacted this fiscal year by staff shortages/reduced direct labor hours due to the COVID-19 pandemic



# PERFORMANCE MEASURES

## Performance Measures

### North Carolina Program Data

#### Community Alternatives, Inc. Performance Indicators 2021



Description	Metric	Green	Yellow	Red
P/M Charlotte – Babies born during the year will be drug free	90% babies born drug free		Yellow	
P/M Charlotte – Birth weight will meet established newborn standard	90% babies $\geq$ 5.5 lbs.		Yellow	
P/M Charlotte – Consumer referred for treatment will be admitted	$\geq$ 50% referrals admitted			Red
P/M Charlotte – Clients unsuccessful in treatment will be referred to the Intensive Recovery Service	$\geq$ 75% compliance			Red
P/M Charlotte – Consumer in treatment > than 90 days will test negative for drugs	$\geq$ 90% will test negative		Yellow	
P/M Charlotte – Consumers admitted to residential remain for at least 3 months	$\geq$ 80% compliance			Red
P/M Charlotte – Program will operate within budgeted expense parameters	Actual/budgeted $\leq$ 1		Yellow	
P/M Charlotte – Program will earn budgeted revenue	Actual/budgeted $\geq$ 1	Green		
P/M Charlotte – discharged client will be contacted at least 3 times	$\geq$ 75% compliance			Red
Charlotte – Consumers will agree/strongly agree they are satisfied with services	$\geq$ 75% satisfaction	Green		
Charlotte – Consumers agree/strongly agree they are treated with dignity/respect	$\geq$ 90% agreement	Green		
Charlotte – Consumers agree/disagree quality of life increase after service	$\geq$ 90% agreement	Green		
Charlotte – Consumers admitted will graduate or complete treatment	$\geq$ 30% compliance			Red
C/W Charlotte – Women enrolled in CASA WORKS will graduate from program	$\geq$ 75% will graduate			Red
C/W Charlotte – Women will become employed/or be in school while in program	$\geq$ 80% employed/ in school			Red
P/M Residential Charlotte – Women will graduate from treatment	$\geq$ 75% graduate program			Red
P/M Residential Charlotte – Women will have custody of their children	$\geq$ 90% will have custody	Green		
Durham – Program will operate within budgeted expense parameters	Actual/budgeted $\leq$ 1		Yellow	
Durham – Program will earn budgeted revenue	Actual/budgeted $\geq$ 1		Yellow	
Durham – Consumers admitted to residential remain for at least 3 months	$\geq$ 80% compliance		Yellow	
Durham – Babies born during the year will be drug free	90% babies born drug free	Green		
Durham – Birth weight will meet established newborn standard	90% babies $\geq$ 5.5 lbs.	Green		
Durham – Consumers will agree/strongly agree they are satisfied with services	$\geq$ 75% satisfaction	Green		
Durham – Consumers agree/strongly agree they are treated with dignity/respect	$\geq$ 90% agreement	Green		
Durham – Consumers agree/disagree quality of life increase after receiving service	$\geq$ 90% agreement	Green		

# PERFORMANCE MEASURES

Durham – Discharged clients in the program for more than 90 days will be contacted 3X to complete an discharge survey	≥ 75% compliance			●
Durham – Consumer in treatment > than 90 days will test negative for drugs	≥ 90% will test negative	●		
P/M Residential Durham – Women will have custody of their children	≥ 90% will have custody	●		
P/M Residential Durham – 75% of the women in the program will graduate	≥ 75% graduation			●
C/W Durham – Women enrolled in CASA WORKS will graduate from program	≥ 75% will graduate			●
C?W Durham – Women will become employed/or be in school while in program	≥ 80% employed/ in school			●
WISH – Program will operate within budgeted expense parameters	Actual/budgeted ≤1			●
WISH – Program will earn budgeted revenue	Actual/budgeted ≥1			●
WISH – Babies born during the year will be drug free	90% babies born drug free		N/A	
WISH – Birth weight will meet established newborn standard	90% babies ≥ 5.5 lbs.		N/A	
WISH – Consumer referred for treatment will be admitted	≥ 50% referrals admitted		●	
WISH – Consumer in treatment > than 90 days will test negative for drugs	≥ 90% will test negative			●
WISH – Consumers will agree/strongly agree they are satisfied with services	≥ 75% satisfaction	●		
WISH – Consumers agree/strongly agree they are treated with dignity/respect	≥ 90% agreement	●		
WISH – Consumers agree/disagree quality of life increase after receiving service	≥ 90% agreement	●		
WISH – Discharged clients in the programs > 90 days will be contacted t least 3X to complete a discharge survey	≥ 75% compliance		N/A	
WISH – Clients will show an improvement in their quarterly wellness index scores	≥ 20% compliance		N/A	
WISH – Women in the WISH program will have custody of their children	≥ 90% will have custody	●		
WISH – 50% of the women will become employed or be in school	≥ 50% employed/ in school			●
WISH – 50% of the women will graduate from the program	≥ 50% will graduate			●

## Summary – NC Performance Measures:

COVID necessitated the extension of program timeline for graduation

COVID limited school/work options to on line only

N/A = No consumers were in the program due to COVID

No discharges at WISH that were >90 days

# COMPANY INFORMATION

## Company Information

Community Alternatives, Inc.

410 North Center Drive

Suite 200, Norfolk, VA 23502

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