



"UDS is like part of my extended family."

Dr. Michelle White, Teacher and Author



Annual Report • Fiscal Year 2017



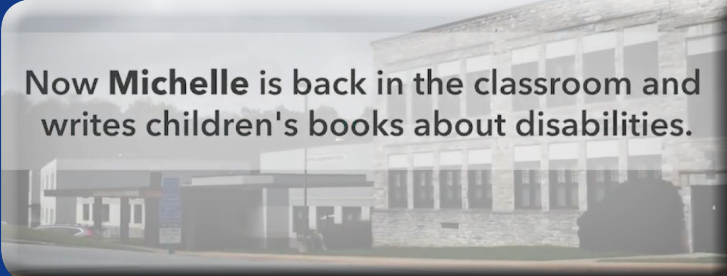
*"It's not poor me,
I have a great life!
The sky's the limit, you
can do what you want!"
-- Dr. Michelle White*

Life can change in the blink of an eye.

And for this elementary school teacher, that's exactly what happened. In 2001, Michelle White, was in an accident that left her paralyzed. UDS Supports Coordination now helps Michelle coordinate her home care and other support services. *"It's not just jumping out of bed anymore and throwing clothes on. It's finding someone to help you for all of your personal and your private things as well."*

"I always wanted to write, but I didn't until this happened. Then I wrote my first story which was about the accident to help the kids I teach to understand what happened." The book is called "New Opportunities" and is about a porcupine in a wheelchair. Since then, Michelle has written other books to help educate children about living with a disability.

"Sometimes people see 'disability' as something they don't want to interact with as much. Kids don't think that way. They will jump right in, they will lean on your chair, they will take things on and off for you. If I can change them, whether it's through the books I write or them coming into my classroom and feeling empowered to learn and know that they are enabled to do something, that's what I'm about."



Now **Michelle** is back in the classroom and writes children's books about disabilities.

"UDS has been phenomenal. UDS asked me time and time again -- what can we do for you, what else do you think you will need? -- they're like part of your extended family. Some people develop that mind set where they're like, 'that poor thing,' and I don't like to think that way. I always say, it's not 'poor me', I have a great life. The sky's the limit, you can do what you want!"

Message From The President & CEO

Dear Friends of UDSF,

Thanks to you and your generous support of our vital mission through donations, dedicated acts of volunteerism and gifts, 2017 was a very successful year.

UDSF through its stakeholders including boards, staff, caring volunteers and donors continues to positively impact the lives of thousands of persons with disabilities (PWD), their families and caregivers. I feel so privileged to be a part of this caring and life changing mission and feel we have laid a strong foundation for our future.

Led by our long term vision that focuses on enhancing stakeholder satisfaction, increased financial stability, operational excellence and innovation through an inspired team, strong revenue growth and mitigating risk, we generated positive net income and improved it by more than \$900,000 over 2016. This focus enabled us to serve an additional 850 consumers through our Home and Community Based Services and an additional 2,500 callers through our Resource Center.

UDSF has positioned itself to seize these opportunities through strategic deployment and discipline, fine-tuned business models and better use of technology. Also in collaboration with statewide strategic partners and strong alliances like PA Health CORE a new alliance of the top ten providers in the Commonwealth, the PAPCA an influential advocate and state association with a powerful voice, we are prepared to meet the future challenges of managed long term supports and services that will dramatically change the healthcare delivery system in PA. We also plan to expand our successful local program models statewide over the next three years. We are focusing future efforts on placing more persons with disabilities in meaningful employment, revamping our Home Medical Equipment Company, and reducing our three year waiting list to receive one of our service dogs. All of this should expand service accessibility, quality and opportunity for those we serve.

In closing, despite continued challenges from government funding, I look forward to the future. We have a strong foundation and will utilize all our assets including your continued support and the support of those we serve, our community, our engaged Boards, and our talented and committed staff. Together we will continue to implement our strategies and deliver excellence and hope to those we advocate for and serve.

Sincerely,



Bill Kepner
President and CEO



Message From The Board Chairman

In 2017, the Board of Directors embraced UDSF's responsibility as a nonprofit leader, and identified and responded to the human services needs of our community. The entire UDSF team has served with caring, dedication and high quality honoring our mission in providing resources, supporting vital programs and championing advocacy for those in need. In addition, we have mobilized the growing support of donors, volunteers and community friends to significantly improve lives.

The Board supported the investment to serve our thousands of clients with top talent throughout the UDSF organization. Working closely with the Senior Leadership Team, the Board is blessed to participate with clients, employees, donors and other charitable partners to improve the abilities and enhance the lives of our clients. Through this participation, we met and were inspired by many courageous people.

Once again 2017 brought many challenging financial issues with no rate increases in our largest state funded programs. As the State finally looks to implement long term managed supports and services, we must pursue initiatives for diversification to sustain our ability to serve more clients and to thrive as an organization for our long term future. We will continue to work with enthusiasm, passion, dedication, teamwork, discipline, innovation and accountability.

The board is deeply grateful to all of UDSF's clients, employees, donors and other advocates. It is through your efforts that we are able to continue to enrich the local communities that we serve. Our heartfelt thanks to you this past year for your continued commitment in protecting our most vulnerable citizens and for nurturing their future.



Shawn Long
UDS Foundation, Board Chairman

Board of Directors

UDS Foundation

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2017 Financial Summary

FISCAL YEAR	2017	2016
PUBLIC SUPPORT AND REVENUES (Ordinary Operations)	\$ 16,117,198	\$ 14,699,109
EXPENSES	\$ 15,512,177	\$ 15,023,881
Excess (Deficiency) of Public Support and Revenue Over Expenses (Ordinary Operations)	\$ 605,021	\$ (324,772)
Excess (Deficiency) of Public Support and Revenue Over Expenses After Retroactive Restricted Cash Adjustment		\$ 5,912,949

REVENUE BY PAYOR SOURCE

FISCAL YEAR	2017	2016
TOTAL PUBLIC SUPPORT	\$ 516,372	\$ 555,678
TOTAL PROGRAM REVENUE (Ordinary Operations)	\$ 14,562,042	\$ 13,682,592
TOTAL OTHER REVENUE	\$ 1,038,784	\$ 460,839
TOTAL (Ordinary Operations)	\$ 16,117,198	\$ 14,699,109
TOTAL After Retroactive Restricted Cash Adjustment		\$ 20,936,830

United Disabilities Services Foundation (UDSF) significantly improved the financial health of the organization in fiscal 2017, as it increased overall revenues by 10% including investment returns, and a healthy 7% excluding net investment returns, while expenses increased by only 3%. The leading service provided by UDSF was Supports Coordination, which made up 34% of the total revenue generated in 2017. In-Home Personal Care made up 22% and Home Modifications made up 20%, making these the top three services provided.

The company generated a net excess, with revenues exceeding expenses by \$605,021, equating to a 4% profit margin from overall operations. This compares favorably to a loss of \$325,000 in the prior fiscal year. UDSF achieved a low debt ratio of 0.09 in 2017, which also compared favorably to the prior year's ratio of 0.19.

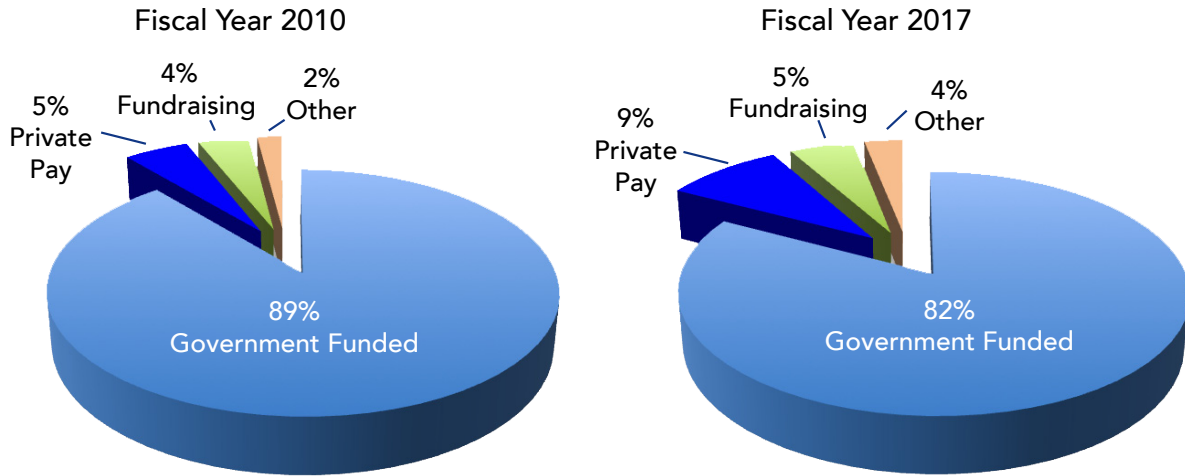
PAYOR SOURCE DIVERSIFICATION

In the past 7 years, UDSF has made great strides in diversifying the company's payor source mix. As government funding continues to face new challenges, reliance on these programs has reduced from 89% to 82%.

Private Pay services have risen by 4% and Fundraising still remains a vital part of our continued financial success. New opportunities with our Non-Profit Management Solutions (NPMS) division (included in the "other" category) continue to show promise in helping to create new opportunities for diversification in the future.

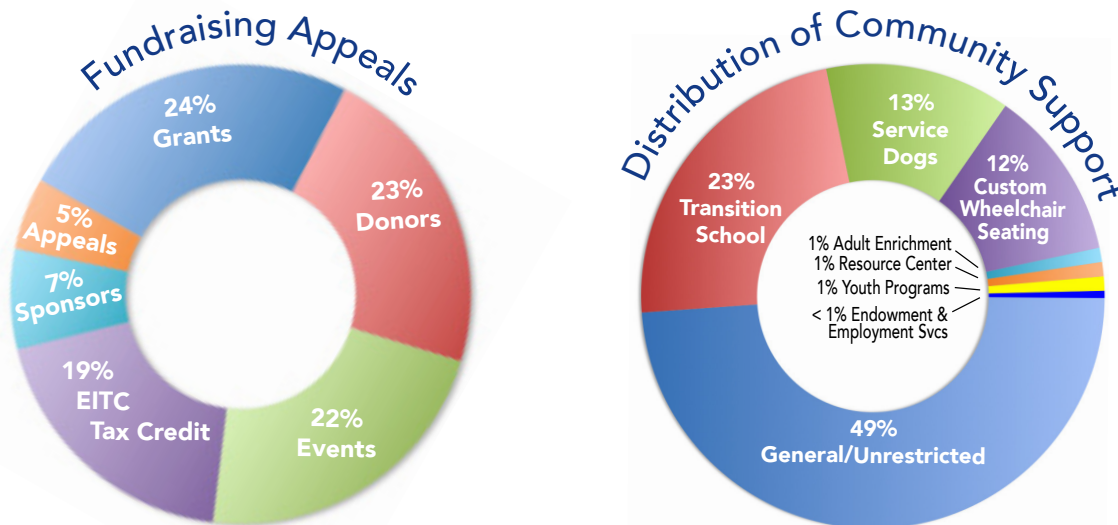
Payor Source Diversification

UDSF continues to make strides in diversifying our revenue sources. Reliance on government funding has decreased an average of 1% each year for the past 7 years. Additionally, we have had a 4% growth in Private Pay clients who provide a more stable and profitable revenue stream.



Community Support

Community Support is vital to sustaining our mission. UDSF fundraising efforts include a combination of various outreach opportunities. Without your support, many of our vital programs would be severely underfunded. 23% of our community support comes organically through generous donations gifted by individual donors helping to enrich lives of those in need in our community. Additionally, as we continue to face uncertainty in our government funding, contributions to our general fund help us to continue to provide the critical services that allow those we serve to live more productive and happy lives.





The gift of mobility can change lives.

James Barry Moore was attacked leaving him with a broken spine. He is no longer able to walk and lives in a skilled care facility. James spent more than 10 months in a bed before he found UDS who was able to provide him with a new custom wheelchair.

The power tilt option on the chair allows him to adjust the pressure from his sitting position, relieves some of his pain and keeps him functional for longer each day.

"Being paralyzed is my life now. UDS made sure the chair fitted me exactly. Now you can't take the chair away from me. It's a lifesaving chair -- it changed my life! Now I can get around and do what I do best -- encourage others to do better for themselves."

Recently, James helped his friend John on the path to a better life. When they met, John was using a walker. Through James' encouragement, John has progressed from a walker to a cane. With the support of his friend, John never gave up!

Helping others is what James is all about. *"When I help somebody and see the things they've accomplished, that gives me joy!"*

UDS is thrilled to be a part in James life and to give him back some mobility so he can continue to inspire others.



United Disabilities Services
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