

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

December 31, 2022

- I. Consolidated Financial Statements
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I. CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Advancing Connecticut Together, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Advancing Connecticut Together, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Single Audit Act (C.G.S. Sections 4-230 to 4-236), are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities, functional expenses, and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 September 28, 2023 on our consideration of the Organization’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 the Organization’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 the Organization’s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



Hartford, Connecticut
September 28, 2023

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidated Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,312,566	\$ 1,195,842
Cash - fiscal agent funds	21,873	372,017
Grants, fees and contributions receivable	4,021,349	2,994,522
Investments - mutual funds	120,198	133,173
Prepaid expenses	44,348	38,507
Right-of-use assets, current	172,498	-
Total current assets	5,692,832	4,734,061
Non-current assets:		
Unemployment trust reserve	53,934	40,683
Security deposits	5,180	5,180
Right-of-use assets, long-term	384,429	-
Property and equipment, net	195,064	173,779
Total non-current assets	638,607	219,642
Total assets	\$ 6,331,439	\$ 4,953,703
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 265,996	\$ 376,937
Refundable advances	2,249,706	1,139,825
Refundable advance - Paycheck Protection Program	-	167,607
Lease obligations, current	172,498	-
Grants payable	220	29,966
Fiscal agent funds	21,873	85,044
Total current liabilities	2,710,293	1,799,379
Non-current liabilities:		
Unemployment trust reserve	53,934	40,683
Lease obligations, long-term	384,429	-
Total non-current liabilities	438,363	40,683
Total liabilities	3,148,656	1,840,062
Net assets:		
Net assets without donor restrictions:		
Undesignated	2,279,692	2,131,372
Board designated	751,304	771,172
Total net assets without donor restrictions	3,030,996	2,902,544
Net assets with donor restrictions	151,787	211,097
Total net assets	3,182,783	3,113,641
Total liabilities and net assets	\$ 6,331,439	\$ 4,953,703

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

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidated Statements of Activities

For the years ended December 31, 2022 and 2021

	2022	2021
Changes in net assets without donor restrictions:		
Support and revenues:		
Grants	\$ 10,120,925	\$ 11,603,340
Contributions	330,476	961,626
Investment/interest income	8,647	2,699
Unrealized gains/(losses) on investments	(28,515)	122,562
Paycheck Protection Program loan forgiveness	167,607	534,919
Miscellaneous income	241,412	128,693
Net assets released from restrictions	615,862	200,031
 Total support and revenues	 11,456,414	 13,553,870
 Expenses:		
Program services:		
Financial assistance and training	7,224,271	9,180,921
HIV services	1,999,631	1,890,171
CAHS Programs	814,203	839,633
Early Childhood Development	102,264	103,611
Keep the Promise	100,040	65,247
Commission on Women, Children & Seniors	211,619	46,904
Advocacy	13,583	29,602
Total program services	10,465,611	12,156,089
Supporting services:		
Management and general	758,322	598,756
Fundraising	104,029	65,604
 Total expenses	 11,327,962	 12,820,449
 Change in net assets without donor restrictions	 128,452	 733,421
 Changes in net assets with donor restrictions:		
Contributions	556,552	256,694
Net assets released from restrictions	(615,862)	(200,031)
 Change in net assets with donor restrictions	 (59,310)	 56,663
 Change in net assets	 69,142	 790,084
 Net assets, beginning of year	 3,113,641	 2,323,557
 Net assets, end of year	 \$ 3,182,783	 \$ 3,113,641

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

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidated Statement of Functional Expenses

For the year ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	2022										2021	
	Program Services							Total Program Services	Management and General	Fundraising	Total	Total
	Financial Assistance and Training	HIV Services	CAHS Programs	Early Childhood Alliance	Keep the Promise	Commission on Women, Children & Seniors	Advocacy					
Wages, taxes, and benefits	\$ 1,278,305	\$ 162,943	\$ 549,500	\$ 93,314	\$ 65,507	\$ -	\$ -	\$ 2,149,569	\$ 450,667	\$ 89,735	\$ 2,689,971	\$ 2,729,971
Client assistance	234,150	6,610,326	-	-	-	-	-	6,844,476	3,586	-	6,848,062	8,754,638
Program	264,394	2,774	106,626	1,346	1,298	77,645	-	454,083	31,821	9,654	495,558	301,620
Occupancy	88,559	126,907	3,184	-	3,580	-	-	222,230	54,308	1,190	277,728	235,661
Office	26,034	7,048	610	-	3,359	-	-	37,051	256	609	37,916	80,797
Vehicles and equipment	53,211	-	-	-	-	-	-	53,211	3,730	-	56,941	-
Subcontractors	21,870	255,168	75,954	-	-	5,600	2,000	360,592	46,079	42	406,713	315,764
Professional	91	256	66,894	7,226	17,670	127,984	3,333	223,454	95,812	1,645	320,911	156,390
Provision for uncollectible gran	-	-	-	-	-	-	-	-	-	-	-	57,956
Information technology	17,894	36,669	3,467	378	7,907	390	-	66,705	3,619	191	70,515	76,789
Insurance	12,481	10,982	1,426	-	-	-	-	24,889	20,467	145	45,501	38,848
Lobbying	-	-	-	-	-	-	8,250	8,250	-	-	8,250	21,250
Other expenses	144	586	2,998	-	719	-	-	4,447	10,990	740	16,177	16,490
Depreciation	2,498	10,612	3,544	-	-	-	-	16,654	36,987	78	53,719	34,275
	<u>\$ 7,224,271</u>	<u>\$ 1,999,631</u>	<u>\$ 814,203</u>	<u>\$ 102,264</u>	<u>\$ 100,040</u>	<u>\$ 211,619</u>	<u>\$ 13,583</u>	<u>\$ 10,465,611</u>	<u>\$ 758,322</u>	<u>\$ 104,029</u>	<u>\$ 11,327,962</u>	<u>\$ 12,820,449</u>

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

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 69,142	\$ 790,084
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Unrealized (gains)/losses on investments	28,515	(122,562)
Depreciation	53,719	34,275
Increase in operating assets:		
Grants, fees and contributions receivable	(1,026,827)	(1,871,406)
Prepaid expenses	(5,841)	(3,587)
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(110,941)	102,290
Refundable advances	1,109,881	856,134
Refundable advance - Paycheck Protection Program	(167,607)	(367,312)
Grants payable	(29,746)	29,966
Fiscal agent funds	(63,171)	(11,192)
Unemployment trust reserve liability	13,251	(1,709)
	(129,625)	(565,019)
Net change in cash from operating activities	(129,625)	(565,019)
Cash flows from investing activities:		
Sales of investments	(15,540)	486,023
Purchases of property and equipment	(75,004)	(119,413)
	(90,544)	366,610
Net change in cash from investing activities	(90,544)	366,610
Net change in cash	(220,169)	(198,409)
Cash, cash equivalents, and restricted cash, beginning of year	1,608,542	1,806,951
Cash, cash equivalents, and restricted cash, end of year	\$ 1,388,373	\$ 1,608,542
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 1,312,566	\$ 1,195,842
Restricted cash:		
Cash - fiscal agents funds	21,873	372,017
Unemployment trust reserve	53,934	40,683
Cash, cash equivalents, and restricted cash, as presented above	\$ 1,388,373	\$ 1,608,542

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

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 - PURPOSE OF ORGANIZATION:

Advancing Connecticut Together, Inc. (“ACT”) and Subsidiary’s (collectively, the “Organization”) mission is to ensure that all low income and moderate income children and families in Connecticut shall be afforded full access to necessary health and housing resources through an integrated service delivery system in order to achieve economic stability. The Organization’s vision is to be a recognized leader in the prevention and care of people impacted by HIV, creating new approaches to service, working in collaboration with all stakeholders, and advocating for a dignified, respectful system of service delivery.

ACT’s subsidiary, the Connecticut Association for Human Services, Inc. (“CAHS”), improves opportunity and prosperity for Connecticut’s children and families by shaping policies and programs that significantly and measurably reduce poverty and promote a secure future. In operation since 1910, CAHS envisions a Connecticut where all children and families thrive and, regardless of income, contribute to and share in Connecticut’s growth. To realize this, CAHS:

- Convenes and builds coalitions that engage policy makers, existing networks, and general public in building a family-friendly economy in Connecticut.
- Develops the capacity of leaders and communities to take action on statewide family economic security issues.
- Provides information on and access to basic resources, financial education, and the building of assets.
- Researches, analyzes, and evaluates current trends, needs, gaps, and progress being made in the economic well-being of children and families, and then shares these findings with target audiences.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Consolidation

The accompanying consolidated financial statements present consolidated financial position, activities, functional expenses, and cash flows for the Organization. All intercompany activity has been eliminated in consolidation.

Basis of Presentation

The Organization complies with the *Financial Statements of Not-for-Profit Organizations* topic of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification. Under this topic, the Organization reports information regarding its financial position and activities according to the following net asset categories:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by the Board of Directors (the “Board”).

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, or which may be perpetual.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Cash - Fiscal Agent Funds

CAHS acts as a fiscal agent for certain programs. The funding received for these programs are restricted for use in accordance with the respective programs.

Endowment Assets and Investment Policies

The Organization complies with the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* topic of the FASB Codification. This topic provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”).

The Board policy specifies that the capital to the endowment will be retained and invested and that there will be no withdrawal of capital or earnings except upon approval by the Board.

Grants

The Organization receives grant and contract funding from various federal and state governments and foundations to provide a variety of program services to the public based on certain performance requirements included in the agreement, and the incurrence of allowable qualifying expenses and other requirements. Such government and foundation grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and foundations 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.

Management believes grants receivable represent negligible credit risk. Accordingly, management has not established an allowance for potential credit losses. Cash received on government and foundation grants and contracts prior to incurring allowable expenses are recorded as refundable advances.

For each of the years ended December 31, 2022 and 2021, approximately 86% of the Organization's funding came from the State of Connecticut and the Federal government.

Conditional Promises to Give

At December 31, 2022, ACT also had unexpended grants of approximately \$8,423,204 that have not been recognized pending fulfillment of conditions associated with the awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Contributions

Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as net assets with donor restrictions support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions that are received and released in the same period are presented as without donor restrictions. 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.

Contributions receivable are all expected to be collected within one year. Management has determined all receivables are collectible.

Cost Allocation

The consolidated financial statements report certain categories of expenses that are attributable to one or more program functions of the Organization. Payroll and staffing costs are allocated based on the time and effort expended by the Organization's employees. Rent, utilities and travel costs are allocated based on the proportion of full-time employee equivalents of an individual program or other supporting service versus the total full-time employee equivalents of the Organization.

Donated Services

Donated services are recognized if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services were provided, but were not recognized as revenue in the consolidated financial statements since they do not meet the criteria for recognition.

Leases

The Organization determines if an arrangement is a lease at inception. Lease right-of-use ("ROU") assets represent the Organization's right to use an underlying asset for the lease term and operating lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately.

Income Taxes

The Organization is organized as a Connecticut non-stock corporation and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The FASB Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs that reflect ACT’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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: Valued at the quoted net asset value of shares held by the Organization at year end.

There have been no changes in the methodologies used at December 31, 2022 and 2021.

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, while 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 value measurement at the reporting date.

Prior-Year Information

The consolidated statements of financial position and activities include certain prior-year summarized comparative information in total but not by net asset class and the consolidated statement of functional expense includes certain prior year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Adoption of ASU No. 2016-02, Leases (Topic 842)

Effective January 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02 – Leases. As a result of the ASU, the Organization assessed all of its leases as either an operating lease or a financing lease. Both operating leases and financing leases are recorded and disclosed separately as a right of use asset and a lease liability. Management of the Organization determined that all of the Organization’s leases are operating leases. The impact of the adoption was recording a right of use asset and a lease liability of approximately \$680,842. A right of use assets is recorded as a separate line item within assets and lease liability is recorded as a separate line item within liabilities.

Subsequent Events Measurement Date

The Organization monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its consolidated financial statements for the period from December 31, 2022 through September 28, 2023, the date on which consolidated financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following represents the Organization’s financial assets available to meet general expenditures over the next twelve months at December 31:

	<u>2022</u>	<u>2021</u>
Financial assets, at year end:		
Cash and cash equivalents	\$ 1,312,566	\$ 1,195,842
Grants, fees and contributions receivable	4,021,349	2,994,522
Investments - mutual funds	120,198	133,173
	<u>5,454,113</u>	<u>4,323,537</u>
Less those unavailable for general expenditure within one year:		
Net assets restricted by donor with time or purpose restrictions	(151,787)	(211,097)
Investments and cash designated for restriction by the Board	(751,304)	(771,172)
	<u>(903,091)</u>	<u>(982,269)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,551,022</u>	<u>\$ 3,341,268</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$75,000, which it could draw upon. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

The Organization’s investments are available to be released by the Board for general expenditures should the need arise, as there is no donor-imposed restriction on those funds. The Organization’s spending policy stipulates that they are to be retained and invested except upon approval of the Board to spend.

The Organization is substantially supported by state and federal grants. The Organization closely tracks grants that have been received with donor restrictions to assure that these funds are only used for their intended purpose. At this time, the Organization anticipates there being sufficient liquidity to meet its general obligations.

NOTE 4 - INVESTMENTS – MUTUAL FUNDS:

Marketable securities are stated at fair value using Level 1 inputs, and are comprised of equity mutual funds at December 31, 2022 and 2021.

NOTE 5 - UNEMPLOYMENT TRUST RESERVE:

ACT and CAHS each maintain an Unemployment Trust Reserve account to manage its unemployment claims. The accounts are held and managed by Unemployment Services Trust (“UST”). ACT and CAHS have recorded an asset on the statement of financial position which represent the amount of cash in the reserve accounts, and a liability for expected claims to be paid.

NOTE 6 - FUNDS HELD BY OTHER:

On July 27, 2007, a designated fund was established by Joel Fried, in the name of Richard B. Fried, through the Hartford Foundation for Public Giving (“HFPG”). ACT is the sole income interest beneficiary of the Richard B. Fried Fund, of which these funds are designated for the use to advocate on behalf of people living with HIV/AIDS in Connecticut to ensure a full range of quality housing and services necessary to maximize their potential and live their lives in dignity. 100% of the income generated by the fund will be distributed to ACT, based on HFPG’s spending policy. HFPG uses a total return investment approach, with annual spending for designated funds set at 5% of the previous quarters’ average market values. This is subject to a floor of 4.25% of current assets and a ceiling of 5.75% of current assets. In the event that ACT was unable to continue its operations, HFPG would retain sole possession of the designated fund and spend the remaining funds according to other charitable purposes described in the original mission statement. Total interest income received from the Richard B. Fried Fund for the years ended December 31, 2022 and 2021 was \$3,049 and \$2,824, respectively. The total asset value of the Richard B. Fried Fund at December 31, 2022 and 2021 was \$67,134 and \$82,918, respectively. The total asset value is not recorded on the financial statements.

NOTE 7 - REFUNDABLE ADVANCE – PAYCHECK PROTECTION PROGRAM:

During 2020, ACT and CAHS received approval for Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans in the amount of \$365,619 and \$169,300, respectively. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over a period of eight to twenty-four weeks following the date of funding. In order to qualify for forgiveness, at least 60% of the funding must be spent on eligible payroll expenses, and up to 40% may be spent on other eligible expenditures, such as rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of ten months from the end of the covered period (interest will accrue). AIDS CT and CAHS received forgiveness on the loans during the year ended December 31, 2021. The PPP funds are reported as income for the year ended December 31, 2021.

During July 2021, CAHS received a second PPP loan in the amount of \$167,607. CAHS received forgiveness on the loan during the year ended December 31, 2022. The PPP funds are reported as income for the year ended December 31, 2022.

NOTE 8 - LINE OF CREDIT:

CAHS has a \$75,000 bank line of credit with an interest rate of 4%. The line of credit is secured by net assets held by CAHS. There is no expiration date on the line. No balances were outstanding as of December 31, 2022 and 2021.

NOTE 9 - BOARD DESIGNATED ENDOWMENT:

The Board of Directors has deemed it prudent operating policy to maintain a “reserve”, representing a minimum level of funds required to continue current core operations. Board designated endowment activity, which is included in net assets without donor restrictions, is as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Endowment, beginning of year	\$ 771,172	\$ 646,634
Investment income	8,647	1,976
Unrealized gains/(losses) on investment	<u>(28,515)</u>	<u>122,562</u>
Endowment, end of year	<u><u>\$ 751,304</u></u>	<u><u>\$ 771,172</u></u>

NOTE 10 - OPERATING LEASES:

The Organization leases various office facilities that expire on various dates through September 2027. Operating lease cost amounted to \$226,100 and \$195,525 for the years ended December 31, 2022 and 2021, respectively. The Organization uses its incremental borrowing rate of 4% to discount future lease payments. The future minimum lease payments on these leases are as follows for the years ending December 31:

2023	\$ 191,635
2024	191,635
2025	146,847
2026	37,482
2027	<u>28,111</u>
Total undiscounted cash flows	595,710
Less: present value discount	<u>(38,783)</u>
Total lease liability	<u><u>\$ 556,927</u></u>

The right-of-use assets and lease liabilities are as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Operating lease - right-of-use assets	<u><u>\$ 556,927</u></u>	<u><u>\$ -</u></u>
Operating lease liabilities	<u><u>\$ 556,927</u></u>	<u><u>\$ -</u></u>

The following table summarizes the supplemental cash flow information for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	<u><u>\$ 189,290</u></u>	<u><u>\$ -</u></u>

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions related to purpose are as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Early Childhood Alliance	\$ 12,500	\$ 64,334
Naloxone/Narcan	26	5,826
Donation for Connections	5,000	-
Purchase of Nutritional Supplements	-	-
PhRMA	2,500	7,146
RTI Int'l-SAT2HIV	-	-
Leadership Development	6,650	1,665
Advocacy	5,000	5,000
Food Pantry Reserve	-	3,029
Child Development Centers Directors Forum	-	12,692
Racial and Ethnic Impact Statements	-	80,791
Stand Up Speak Out	-	791
Literacy How	-	136
Service Employees International Union	-	29,687
Prevention	7,500	-
Shawn Lang Memorial Funds	19,952	-
Alliance for Early Success	12,500	-
Bank On CT	17,632	-
CAHS Policy Initiatives	17,724	-
CAHS Returning Citizens Program	18,636	-
New Haven Financial Empowerment Center	19,167	-
Volunteer Income Tax Assistance	7,000	-
	<u>\$ 151,787</u>	<u>\$ 211,097</u>

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED):

Net assets were released from donor restrictions for the following purposes during the years ended December 31:

	<u>2022</u>	<u>2021</u>
Early Childhood Alliance	\$ 76,834	\$ 107,044
Naloxone/Narcan	5,799	20,705
Donation for Connections	700	2,551
Purchase of Nutritional Supplements	-	6,706
PhRMA	4,647	-
RTI Int'l-SAT2HIV	-	1,834
Leadership Development	5,100	22,185
Food Pantry Reserve	3,344	1,575
Child Development Centers Directors Forum	12,692	2,365
Stand Up Speak Out	791	-
Racial and Ethnic Impact Statements	80,791	25,609
Literacy How	136	7,894
Service Employees International Union	60,937	1,563
Shawn Lang Memorial Funds	2,500	-
Alliance for Early Success	12,500	-
Bank On CT	17,368	-
CAHS Policy Initiatives	37,276	-
CAHS Returning Citizens Program	9,614	-
Children for Connecticut's Future	145,000	-
Commission Women, Children, Seniors	25,000	-
Keep the Promise	20,000	-
New Haven Financial Empowerment Center	57,333	-
Volunteer Income Tax Assistance	37,500	-
	<u>\$ 615,862</u>	<u>\$ 200,031</u>

NOTE 12 - EMPLOYEE BENEFIT PLANS:

ACT's eligible employees participate in a 403(b) matching plan. Under this plan, ACT has the option to contribute 3% of eligible employee salary. Eligible employees are defined as any employees who work 500 hours per year. Pension expense totaled \$29,135 and \$29,769 for the years ended December 31, 2022 and 2021, respectively.

CAHS maintains a 401(a) defined contribution plan based on a calendar year. Full-time employees who have attained 21 years of age and completed one year of service are eligible to participate in the plan. The employer contribution amount is 3% of the respective employees' annual compensation. Total contributions to this plan were \$13,623 and \$15,827 for the years ended December 31, 2022 and 2021, respectively.

NOTE 13 - CONTINGENCY:

Grants require the fulfillment of certain conditions as set forth in the instrument of the grants. Failure to fulfill the conditions could result in the return of funds to grantors.

NOTE 14 - CREDIT RISK:

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

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidating Statement of Financial Position

December 31, 2022

(with comparative totals for December 31, 2021)

	2022			Consolidated Totals	2021
	ACT	CAHS	Eliminations		Consolidated Totals
Assets					
Current assets:					
Cash and cash equivalents	\$ 936,397	\$ 376,169	\$ -	\$ 1,312,566	\$ 1,195,842
Cash - fiscal agent funds	-	21,873	-	21,873	372,017
Grants, fees and contributions receivable	3,952,753	68,596	-	4,021,349	2,994,522
Investments - mutual funds	120,198	-	-	120,198	133,173
Due from affiliate	-	643,981	(643,981)	-	-
Prepaid expenses	42,682	1,666	-	44,348	38,507
Right-of-use assets, current	135,963	36,535	-	172,498	-
Total current assets	<u>5,187,993</u>	<u>1,148,820</u>	<u>(643,981)</u>	<u>5,692,832</u>	<u>4,734,061</u>
Non-current assets:					
Unemployment trust reserve	13,412	40,522	-	53,934	40,683
Security deposits	2,250	2,930	-	5,180	5,180
Right-of-use assets, long-term	313,539	70,890	-	384,429	-
Property and equipment, net	182,658	12,406	-	195,064	173,779
Total non-current assets	<u>511,859</u>	<u>126,748</u>	<u>-</u>	<u>638,607</u>	<u>219,642</u>
Total assets	<u>\$ 5,699,852</u>	<u>\$ 1,275,568</u>	<u>\$ (643,981)</u>	<u>\$ 6,331,439</u>	<u>\$ 4,953,703</u>
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 215,044	\$ 50,952	\$ -	\$ 265,996	\$ 376,937
Refundable advances	2,249,706	-	-	2,249,706	1,139,825
Refundable advance - Paycheck Protection Program	-	-	-	-	167,607
Lease obligations, current	135,963	36,535	-	172,498	-
Grants payable	220	-	-	220	29,966
Fiscal agent funds	-	21,873	-	21,873	85,044
Due to affiliate	643,981	-	(643,981)	-	-
Total current liabilities	<u>3,244,914</u>	<u>109,360</u>	<u>(643,981)</u>	<u>2,710,293</u>	<u>1,799,379</u>
Non-current liabilities:					
Unemployment trust reserve	13,412	40,522	-	53,934	40,683
Lease obligations, long-term	313,539	70,890	-	384,429	-
Total non-current liabilities	<u>326,951</u>	<u>111,412</u>	<u>-</u>	<u>438,363</u>	<u>40,683</u>
Total liabilities	<u>3,571,865</u>	<u>220,772</u>	<u>(643,981)</u>	<u>3,148,656</u>	<u>1,840,062</u>
Net assets:					
Net assets without donor restrictions:					
Undesignated	1,330,055	949,637	-	2,279,692	2,131,372
Board designated	751,304	-	-	751,304	771,172
Total net assets without donor restrictions	<u>2,081,359</u>	<u>949,637</u>	<u>-</u>	<u>3,030,996</u>	<u>2,902,544</u>
Net assets with donor restrictions	<u>46,628</u>	<u>105,159</u>	<u>-</u>	<u>151,787</u>	<u>211,097</u>
Total net assets	<u>2,127,987</u>	<u>1,054,796</u>	<u>-</u>	<u>3,182,783</u>	<u>3,113,641</u>
Total liabilities and net assets	<u>\$ 5,699,852</u>	<u>\$ 1,275,568</u>	<u>\$ (643,981)</u>	<u>\$ 6,331,439</u>	<u>\$ 4,953,703</u>

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidating Statement of Activities

For the year ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	2022			2021	
	ACT	CAHS	Eliminations	Consolidated Totals	Consolidated Totals
Changes in net assets without donor restrictions:					
Support and revenues:					
Grants	\$ 9,755,160	\$ 365,765	\$ -	\$ 10,120,925	\$ 11,603,340
Contributions	161,765	168,711	-	330,476	961,626
Investment/interest income	8,647	-	-	8,647	2,699
Unrealized gains/(losses) on investments	(28,515)	-	-	(28,515)	122,562
Paycheck Protection Program loan forgiveness	-	167,607	-	167,607	534,919
Miscellaneous income	67,133	174,279	-	241,412	128,693
Net assets released from restrictions	22,090	593,772	-	615,862	200,031
	<u>9,986,280</u>	<u>1,470,134</u>	<u>-</u>	<u>11,456,414</u>	<u>13,553,870</u>
Total support and revenues					
Expenses:					
Program services:					
Financial assistance and training	7,224,271	-	-	7,224,271	9,180,921
HIV services	1,999,631	-	-	1,999,631	1,890,171
CAHS Programs	-	814,203	-	814,203	839,633
Early Childhood Development	-	102,264	-	102,264	103,611
Keep the Promise	-	100,040	-	100,040	65,247
Commission on Women, Children & Seniors	-	211,619	-	211,619	46,904
Advocacy	8,250	5,333	-	13,583	29,602
Total program services	<u>9,232,152</u>	<u>1,233,459</u>	<u>-</u>	<u>10,465,611</u>	<u>12,156,089</u>
Supporting services:					
Management and general	665,877	92,445	-	758,322	598,756
Fundraising	71,766	32,263	-	104,029	65,604
	<u>9,969,795</u>	<u>1,358,167</u>	<u>-</u>	<u>11,327,962</u>	<u>12,820,449</u>
Total expenses					
Change in net assets without donor restrictions	<u>16,485</u>	<u>111,967</u>	<u>-</u>	<u>128,452</u>	<u>733,421</u>
Changes in net assets with donor restrictions:					
Contributions	46,052	510,500	-	556,552	256,694
Net assets released from restrictions	(22,090)	(593,772)	-	(615,862)	(200,031)
	<u>23,962</u>	<u>(83,272)</u>	<u>-</u>	<u>(59,310)</u>	<u>56,663</u>
Change in net assets with donor restrictions					
Change in net assets	40,447	28,695	-	69,142	790,084
Net assets, beginning of year	<u>2,087,540</u>	<u>1,026,101</u>	<u>-</u>	<u>3,113,641</u>	<u>2,323,557</u>
Net assets, end of year	<u>\$ 2,127,987</u>	<u>\$ 1,054,796</u>	<u>\$ -</u>	<u>\$ 3,182,783</u>	<u>\$ 3,113,641</u>

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Supplementary Statement of Functional Expenses

For the year ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	ACT						
	2022						2021
	Program Services						
	Financial Assistance and Training	HIV Services	Advocacy	Management and General	Fundraising	Total	Total
Wages, taxes, and benefits	\$ 162,943	\$ 1,278,305	\$ -	\$ 450,667	\$ 57,641	\$ 1,949,556	\$ 1,924,916
Client assistance	6,610,326	234,150	-	3,586	-	6,848,062	8,754,638
Program	2,774	264,394	-	28,447	9,654	305,269	201,506
Occupancy	126,907	88,559	-	13,596	1,094	230,156	177,669
Office	7,048	26,034	-	249	609	33,940	74,861
Vehicles and equipment	-	53,211	-	3,730	-	56,941	57,956
Subcontractors	255,168	21,870	-	4,471	42	281,551	192,931
Professional	256	91	-	90,228	1,640	92,215	92,645
Information technology	36,669	17,894	-	3,397	190	58,150	72,423
Insurance	10,982	12,481	-	20,240	78	43,781	36,631
Lobbying	-	-	8,250	-	-	8,250	18,750
Other expenses	586	144	-	10,278	740	11,748	11,413
Depreciation	10,612	2,498	-	36,988	78	50,176	32,503
	<u>\$ 7,224,271</u>	<u>\$ 1,999,631</u>	<u>\$ 8,250</u>	<u>\$ 665,877</u>	<u>\$ 71,766</u>	<u>\$ 9,969,795</u>	<u>\$ 11,648,842</u>

	CAHS								
	2022							2021	
	Program Services								
	CAHS Programs	Early Childhood Alliance	Keep the Promise	Commission on Women, Children & Seniors	Advocacy	Management and General	Fundraising	Total	Total
Wages, taxes, and benefits	\$ 549,500	\$ 93,314	\$ 65,507	\$ -	\$ -	\$ -	\$ 32,094	\$ 740,415	\$ 805,055
Program	106,626	1,346	1,298	77,645	-	3,374	-	190,289	100,114
Occupancy	3,184	-	3,580	-	-	40,712	96	47,572	57,992
Office	610	-	3,359	-	-	7	-	3,976	5,936
Subcontractors	75,954	-	-	5,600	2,000	41,608	-	125,162	122,833
Professional	66,894	7,226	17,670	127,984	3,333	5,584	5	228,696	63,745
Information technology	3,467	378	7,907	390	-	222	1	12,365	4,366
Insurance	1,426	-	-	-	-	227	67	1,720	2,217
Lobbying	-	-	-	-	-	-	-	-	2,500
Other expenses	2,998	-	719	-	-	711	-	4,428	5,077
Depreciation	3,544	-	-	-	-	-	-	3,544	1,772
	<u>\$ 814,203</u>	<u>\$ 102,264</u>	<u>\$ 100,040</u>	<u>\$ 211,619</u>	<u>\$ 5,333</u>	<u>\$ 92,445</u>	<u>\$ 32,263</u>	<u>\$ 1,358,167</u>	<u>\$ 1,171,607</u>

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Consolidating Statement of Cash Flows

For the year ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	2022			Consolidated Totals	2021 Consolidated Totals
	ACT	CAHS	Eliminations		
Cash flows from operating activities:					
Change in net assets	\$ 40,447	\$ 28,695	\$ -	\$ 69,142	\$ 790,084
Adjustments to reconcile change in net assets to net change in cash from operating activities:					
Unrealized gains on investments	28,515	-	-	28,515	(122,562)
Depreciation	50,175	3,544	-	53,719	34,275
(Increase)/decrease in operating assets:					
Grants, fees and contributions receivable	(1,024,435)	(2,392)	-	(1,026,827)	(1,871,406)
Due from affiliate	-	(141,194)	643,981	502,787	(502,787)
Prepaid expenses	(5,891)	50	-	(5,841)	(3,587)
Increase/(decrease) in operating liabilities:					
Accounts payable and accrued liabilities	(90,901)	(20,040)	-	(110,941)	102,290
Refundable advances	1,169,881	(60,000)	-	1,109,881	856,134
Refundable advance - Paycheck Protection Program	-	(167,607)	-	(167,607)	(367,312)
Grants payable	(29,746)	-	-	(29,746)	29,966
Fiscal agent funds	-	(63,171)	-	(63,171)	(11,192)
Due to affiliate	141,194	-	(643,981)	(502,787)	502,787
Unemployment trust reserve liability	13,412	(161)	-	13,251	(1,709)
Net change in cash from operating activities	292,651	(422,276)	-	(129,625)	(565,019)
Cash flows from investing activities:					
Sales of investments	(15,540)	-	-	(15,540)	486,023
Purchases of property and equipment	(75,004)	-	-	(75,004)	(119,413)
Net change in cash from investing activities	(90,544)	-	-	(90,544)	366,610
Net change in cash	202,107	(422,276)	-	(220,169)	(198,409)
Cash, cash equivalents, and restricted cash, beginning of year	747,702	860,840	-	1,608,542	1,806,951
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 949,809</u>	<u>\$ 438,564</u>	<u>\$ -</u>	<u>\$ 1,388,373</u>	<u>\$ 1,608,542</u>
Reconciliation of cash, cash equivalents, and restricted cash:					
Cash and cash equivalents	\$ 936,397	\$ 376,169	\$ -	\$ 1,312,566	\$ 1,195,842
Restricted cash:					
Cash - fiscal agents funds	-	21,873	-	21,873	372,017
Unemployment trust reserve	13,412	40,522	-	53,934	40,683
Cash, cash equivalents, and restricted cash, as presented above	<u>\$ 949,809</u>	<u>\$ 438,564</u>	<u>\$ -</u>	<u>\$ 1,388,373</u>	<u>\$ 1,608,542</u>

**II. REPORTS IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' 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
Advancing Connecticut Together, Inc. and Subsidiary

We have audited, in accordance with the 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 consolidated financial statements of Advancing Connecticut Together, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Advancing Connecticut Together, Inc. and Subsidiary'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Advancing Connecticut Together, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Advancing Connecticut Together, Inc. and Subsidiary'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Advancing Connecticut Together, Inc. and Subsidiary's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Advancing Connecticut Together, Inc. and Subsidiary's consolidated 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 consolidated 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 Advancing Connecticut Together, Inc. and Subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advancing Connecticut Together, Inc. and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut
September 28, 2023

**III. REPORTS IN ACCORDANCE WITH
UNIFORM GUIDANCE**

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Advancing Connecticut Together, Inc. and Subsidiary

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Advancing Connecticut Together, Inc. and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Advancing Connecticut Together, Inc. and Subsidiary's major federal programs for the year ended December 31, 2022. Advancing Connecticut Together, Inc. and Subsidiary's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, Advancing Connecticut Together, Inc. and Subsidiary 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 federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Advancing Connecticut Together, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Advancing Connecticut Together, Inc. and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Advancing Connecticut Together, Inc. and Subsidiary's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Advancing Connecticut Together, Inc. and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Advancing Connecticut Together, Inc. and Subsidiary's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Advancing Connecticut Together, Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Advancing Connecticut Together, Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Advancing Connecticut Together, Inc. and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 federal 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut
September 28, 2023

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2022

Federal Grantor/ Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
<i>Pass-through Programs:</i>				
The City of Hartford - HIV Emergency Relief Project Grants	93.914	HHS2020-31A/HSS2021-30A	\$ -	\$ 503,435
COVID-19 HIV Emergency Relief Project Grants - CARES	93.914	HHS2020-39A/HSS2021-68A	-	233
			-	<u>503,668</u>
The State of Connecticut, Department of Public Health - HIV Prevention Activities Health Department Based	93.940	2019-0154/2022-0017	-	262,836
			-	<u>262,836</u>
The City of Hartford - HIV Care Formula Grants	93.917	N/A	-	114,864
			-	<u>114,864</u>
The City of Hartford - Injury Prevention and Control Research and State and Community Based Programs	93.136	HHS2021-05/HHS2022-20	-	34,364
			-	<u>34,364</u>
The State of Connecticut, Department of Social Services Social Services Block Grant	93.667	18DSS6101FA/064-1FA-CSV-01	-	24,340
			-	<u>24,340</u>
Subtotal U.S. Department of Health and Human Services Pass-through Programs			-	<u>940,072</u>
Total U.S. Department of Health and Human Services Programs			-	<u>940,072</u>
U.S. Department of Housing and Urban Development:				
<i>Pass-through Programs:</i>				
The State of Connecticut, Department of Housing - Emergency Solutions Grant Program	14.231	15DOH0101AA/20DOH0201AA	-	626,238
COVID-19 Emergency Solutions Grant Program - CARES	14.231	20DOH0911AA	-	1,588,139
			-	<u>2,214,377</u>
The City of Hartford - Housing Opportunities for Persons with AIDS	14.241	20-91.06/21-91.06/22-91.06	-	115,477
The City of Worcester - Housing Opportunities for Persons with AIDS	14.241	N/A	-	49,453
			-	<u>164,930</u>
The State of Connecticut, Department of Housing - Continuum of Care Program	14.267	17DOH0901AA/18DOH0911AA/ 19DOH0911AA/20DOH0901AA/ 20DOH0931AA/20DOH9041AA	-	4,468,867
The State of Connecticut, Department of Mental Health and Addiction Services - Continuum of Care Program	14.267	22MHA1013	-	238,788
			-	<u>4,707,655</u>
Subtotal U.S. Department Housing and Urban Development Pass-through Programs			-	<u>7,086,962</u>
Total U.S. Department of Housing and Urban Development Programs			-	<u>7,086,962</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 8,027,034</u>

See accompanying notes to the schedule of expenditures of federal awards.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Notes to Schedule of Expenditures of Federal Awards

For the year ended December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Advancing Connecticut Together, Inc. and Subsidiary under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Advancing Connecticut Together, Inc. and Subsidiary, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Advancing Connecticut Together, Inc. and Subsidiary.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Advancing Connecticut Together, Inc. and Subsidiary did not elect to use the de minimis indirect cost rate.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Schedule of Federal Findings and Questioned Costs

For the year ended December 31, 2022

I. Summary of Auditors' Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

_____ yes X no

Identification of Major Programs

Federal Assistance Listing Number	Name of Federal Program or Cluster
14.231	Emergency Solutions Grant Program
14.267	Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low risk auditee?

_____ yes X no

II. Financial Statement Findings

No matters reported.

III. Federal Awards Findings and Questioned Costs

No matters reported.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Summary Schedule of Prior Audit Findings

For the year ended December 31, 2022

Financial Statement Findings:

Finding No. 2021-001: Financial Reporting – Material Weakness in Internal Control over Financial Reporting

Condition

In fiscal year 2021, the Organization’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The year end was not closed in accordance with the Organization’s financial close policy. Multiple adjustments to the trial balances were made, necessitating repeated revisions to balance sheet account reconciliations, and grant schedules. The books and records were not closed and finalized until many months after year end. In addition, many accounting adjustments were needed throughout the audit process.

Current Status

The finding was first reported as Finding No. 2021-001 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

Federal Award Findings:

Finding No. 2021-001: Financial Reporting – Material Weakness in Internal Control over Financial Reporting

Condition

In fiscal year 2021, the Organization’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The year end was not closed in accordance with the Organization’s financial close policy. Multiple adjustments to the trial balances were made, necessitating repeated revisions to balance sheet account reconciliations, and grant schedules. The books and records were not closed and finalized until many months after year end. In addition, many accounting adjustments were needed throughout the audit process.

Current Status

The finding was first reported as Finding No. 2021-001 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

Finding No. 2021-002: Annual Audit Submission – Significant Deficiency

Condition

The audit and reporting package were not submitted by the due date September 30, 2022.

Current Status

The finding was first reported as Finding No. 2021-002 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

**IV. REPORTS IN ACCORDANCE WITH
THE STATE SINGLE AUDIT ACT**

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

To the Board of Directors of
Advancing Connecticut Together, Inc. and Subsidiary

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Advancing Connecticut Together, Inc. and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Advancing Connecticut Together, Inc. and Subsidiary's major state programs for the year ended December 31, 2022. Advancing Connecticut Together, Inc. and Subsidiary's major state programs are identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs.

In our opinion, Advancing Connecticut Together, Inc. and Subsidiary 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 December 31, 2022.

Basis for Opinion on Each Major State Program

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 audit requirements of the State Single Audit Act (C.G.S. Section 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Advancing Connecticut Together, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Advancing Connecticut Together, Inc. and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Advancing Connecticut Together, Inc. and Subsidiary's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Advancing Connecticut Together, Inc. and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Advancing Connecticut Together, Inc. and Subsidiary's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Advancing Connecticut Together, Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Advancing Connecticut Together, Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Advancing Connecticut Together, Inc. and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in cursive script that reads "Whittlesey PC". The signature is written in black ink and is positioned above the typed name and date.

Hartford, Connecticut
September 28, 2023

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Schedule of Expenditures of State Financial Assistance

For the year ended December 31, 2022

State Grantor/ Pass-through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Public Health			
<i>HIV Services</i>	12004-DPH48500-12236	\$ -	\$ 340,000
<i>HIV Services</i>	12060-DPH48500-30401	-	256,082
<i>Needle and Syringe Exchange Program</i>	12004-DPH48500-12100	-	54,326
<i>Peer to Peer Navigation</i>	12060-DPH48500-35226	-	3,663
<i>Lesbian, Gay, Bisexual, Transgender and Queer Health and Human Services Network</i>	11000-DPH48500-12618	-	17,960
Total Department of Public Health		-	672,031
Department of Housing			
<i>AIDS Residential (AID)</i>	11000-DOH46920-16149-1200902	-	371,017
<i>Shelter Diversion/Rapid Rehousing</i>	11000-DOH46920-16149-1200904	-	197,270
<i>Homeless Youth</i>	11000-DOH46920-12504	-	97,002
<i>Rental Assistance Program (RAP)</i>	11000-DOH46920-16149-1200905	-	386,973
<i>Community Investment Account</i>	12060-DOH46920-35328	-	7,645
Total Department of Housing		-	1,059,907
Total State Financial Assistance		\$ -	\$ 1,731,938

See accompanying note to the schedule of expenditures of state financial assistance.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Note to Schedule of Expenditures of State Financial Assistance

For the year ended December 31, 2022

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) includes state grant activity of Advancing Connecticut Together, Inc. and Subsidiary under programs of the State of Connecticut for the year ended December 31, 2022. 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 HIV Services and AIDS Residential.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The information in the Schedule 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 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.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Schedule of State Findings and Questioned Costs

For the year ended December 31, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ yes <u> X </u> no
• Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

State Financial Assistance

Internal control over major programs:	
• Material weakness(es) identified?	_____ yes <u> X </u> no
• Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditors' opinion issued on compliance for major programs:	<i>Unmodified</i>
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?	_____ yes <u> X </u> no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Public Health		
<i>HIV Services</i>	12004-DPH48500-12236	\$ 340,000
<i>HIV Services</i>	12060-DPH48500-30401	256,082
Department of Housing		
<i>AIDS Residential (AID)</i>	11000-DOH46920-16149-1200902	371,017
<i>Rental Assistance Program (RAP)</i>	11000-DOH46920-16149-1200905	386,973
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$200,000</u>	

II. Financial Statement Findings

No matters reported.

III. State Financial Assistance Findings and Questioned Costs

No matters reported.

**ADVANCING CONNECTICUT TOGETHER, INC.
AND SUBSIDIARY**

Summary Schedule of Prior Audit Findings

For the year ended December 31, 2022

Financial Statement Findings:

Finding No. 2021-001: Financial Reporting – Material Weakness in Internal Control over Financial Reporting

Condition

In fiscal year 2021, the Organization’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The year end was not closed in accordance with the Organization’s financial close policy. Multiple adjustments to the trial balances were made, necessitating repeated revisions to balance sheet account reconciliations, and grant schedules. The books and records were not closed and finalized until many months after year end. In addition, many accounting adjustments were needed throughout the audit process.

Current Status

The finding was first reported as Finding No. 2021-001 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

State Award Findings:

Finding No. 2021-001: Financial Reporting – Material Weakness in Internal Control over Financial Reporting

Condition

In fiscal year 2021, the Organization’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The year end was not closed in accordance with the Organization’s financial close policy. Multiple adjustments to the trial balances were made, necessitating repeated revisions to balance sheet account reconciliations, and grant schedules. The books and records were not closed and finalized until many months after year end. In addition, many accounting adjustments were needed throughout the audit process.

Current Status

The finding was first reported as Finding No. 2021-001 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

Finding No. 2021-002: Annual Audit Submission – Significant Deficiency

Condition

The financial statements and State Single Audit reports were not submitted within the allowable extension period. The extension period was through the end of December 2022.

Current Status

The finding was first reported as Finding No. 2021-002 for the fiscal year ended December 31, 2021. The finding has been corrected in the current year.

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