

ADVANCING CONNECTICUT TOGETHER, INC.

December 31, 2023

- I. Financial Statements
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I. FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Advancing Connecticut Together, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, 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 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 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 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 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 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



Hartford, Connecticut
September 17, 2024

ADVANCING CONNECTICUT TOGETHER, INC.

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,563,266	\$ 1,312,566
Cash - fiscal agent funds	40,088	21,873
Grants, fees and contributions receivable	4,070,605	4,021,349
Investments - mutual funds	119,329	120,198
Prepaid expenses	44,624	44,348
Right-of-use assets, current	179,525	172,498
Total current assets	6,017,437	5,692,832
Non-current assets:		
Unemployment trust reserve	79,598	53,934
Security deposits	2,930	5,180
Right-of-use assets, long-term	204,904	384,429
Property and equipment, net	153,979	195,064
Total non-current assets	441,411	638,607
Total assets	\$ 6,458,848	\$ 6,331,439
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 414,528	\$ 266,216
Refundable advances	1,869,342	2,249,706
Lease obligations, current	179,525	172,498
Fiscal agent funds	40,088	21,873
Total current liabilities	2,503,483	2,710,293
Non-current liabilities:		
Unemployment trust reserve	68,069	53,934
Lease obligations, long-term	204,904	384,429
Total non-current liabilities	272,973	438,363
Total liabilities	2,776,456	3,148,656
Net assets:		
Net assets without donor restrictions:		
Undesignated	2,407,916	2,279,692
Board designated	762,019	751,304
Total net assets without donor restrictions	3,169,935	3,030,996
Net assets with donor restrictions	512,457	151,787
Total net assets	3,682,392	3,182,783
Total liabilities and net assets	\$ 6,458,848	\$ 6,331,439

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

ADVANCING CONNECTICUT TOGETHER, INC.

Statements of Activities

For the years ended December 31, 2023 and 2022

	2023	2022
Changes in net assets without donor restrictions:		
Support and revenues:		
Grants	\$ 11,788,301	\$ 10,120,925
Contributions	884,509	1,066,040
Investment/interest income	1,896	8,647
Unrealized gains/(losses) on investments	8,819	(28,515)
Paycheck Protection Program loan forgiveness	-	167,607
Miscellaneous income	170,627	241,412
Net assets released from restrictions	323,432	615,862
 Total support and revenues	 13,177,584	 12,191,978
Expenses:		
Program services:		
Financial assistance	8,027,964	7,224,271
HIV services	2,488,266	1,999,631
Financial empowerment services	1,220,435	1,549,767
Sponsored programs	272,021	413,923
Other programs	135,580	13,583
Total program services	12,144,266	11,201,175
Supporting services:		
Management and general	819,424	758,322
Fundraising	74,955	104,029
 Total expenses	 13,038,645	 12,063,526
 Change in net assets without donor restrictions	 138,939	 128,452
Changes in net assets with donor restrictions:		
Contributions	684,102	556,552
Net assets released from restrictions	(323,432)	(615,862)
 Change in net assets with donor restrictions	 360,670	 (59,310)
 Change in net assets	 499,609	 69,142
Net assets, beginning of year	3,182,783	3,113,641
Net assets, end of year	\$ 3,682,392	\$ 3,182,783

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

ADVANCING CONNECTICUT TOGETHER, INC.

Statement of Functional Expenses

For the year ended December 31, 2023

	Program Services						Management and General	Fundraising	Total
	Financial Assistance	HIV Services	Financial Empowerment Services	Sponsored Programs	Other Programs	Total Program Services			
Wages, taxes, and benefits	\$ 161,772	\$ 1,438,767	\$ 487,669	\$ 170,556	\$ 11,952	\$ 2,270,716	\$ 515,167	\$ 59,630	\$ 2,845,513
Client assistance	7,465,620	557,526	557,731	-	-	8,580,877	2,085	-	8,582,962
Program	5,198	281,294	59,600	17,893	5,523	369,508	5,092	8,820	383,420
Occupancy	120,855	96,088	2,794	4,113	-	223,850	49,848	2,923	276,621
Office	6,410	6,136	3,612	1,242	176	17,576	625	11	18,212
Vehicles and equipment	-	9,174	-	-	7,174	16,348	5,545	-	21,893
Subcontractors	180,298	53,503	55,899	15,931	64,363	369,994	70,352	-	440,346
Professional services	7,330	1,631	5,262	59,067	9,152	82,442	131,817	3,139	217,398
Information technology	58,937	28,241	14,896	2,712	1,099	105,885	8,090	219	114,194
Insurance	10,549	12,921	18,149	-	1,684	43,303	11,037	112	54,452
Lobbying	-	-	-	-	688	688	500	-	1,188
Other expenses	643	148	1,705	507	2,536	5,539	14,704	8	20,251
Depreciation	10,352	2,837	13,118	-	31,233	57,540	4,562	93	62,195
	<u>\$ 8,027,964</u>	<u>\$ 2,488,266</u>	<u>\$ 1,220,435</u>	<u>\$ 272,021</u>	<u>\$ 135,580</u>	<u>\$ 12,144,266</u>	<u>\$ 819,424</u>	<u>\$ 74,955</u>	<u>\$ 13,038,645</u>

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

ADVANCING CONNECTICUT TOGETHER, INC.

Statement of Functional Expenses

For the year ended December 31, 2022

	Program Services								Total	
	Financial	Financial			Other		Total	Management		Fundraising
	Assistance	HIV Services	Empowerment Services	Sponsored Programs	Programs	Program Services	and General			
Wages, taxes, and benefits	\$ 162,943	\$ 1,278,305	549,500	\$ 158,821	\$ -	\$ 2,149,569	\$ 450,667	\$ 89,735	\$ 2,689,971	
Client assistance	6,610,326	234,150	367,782	-	-	7,212,258	3,586	-	7,215,844	
Program	2,774	264,394	106,626	80,289	-	454,083	31,821	9,654	495,558	
Occupancy	126,907	88,559	3,184	3,580	-	222,230	54,308	1,190	277,728	
Office	7,048	26,034	610	3,359	-	37,051	256	609	37,916	
Vehicles and equipment	-	53,211	-	-	-	53,211	3,730	-	56,941	
Subcontractors	255,168	21,870	75,954	5,600	2,000	360,592	46,079	42	406,713	
Professional services	256	91	66,894	152,880	3,333	223,454	95,812	1,645	320,911	
Information technology	36,669	17,894	3,467	8,675	-	66,705	3,619	191	70,515	
Insurance	10,982	12,481	1,426	-	-	24,889	20,467	145	45,501	
Lobbying	-	-	-	-	8,250	8,250	-	-	8,250	
Other expenses	586	144	2,998	719	-	4,447	10,990	740	16,177	
Depreciation	10,612	2,498	3,544	-	-	16,654	36,987	78	53,719	
	<u>\$ 7,224,271</u>	<u>\$ 1,999,631</u>	<u>\$ 1,181,985</u>	<u>\$ 413,923</u>	<u>\$ 13,583</u>	<u>\$ 10,833,393</u>	<u>\$ 758,322</u>	<u>\$ 104,029</u>	<u>\$ 11,695,744</u>	

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

ADVANCING CONNECTICUT TOGETHER, INC.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 499,609	\$ 69,142
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Unrealized (gains)/losses on investments	(8,819)	28,515
Depreciation	62,195	53,719
(Increase)/decrease in operating assets:		
Grants, fees and contributions receivable	(49,256)	(1,026,827)
Prepaid expenses	(276)	(5,841)
Security deposits	2,250	-
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued liabilities	148,312	(140,687)
Refundable advances	(380,364)	1,109,881
Refundable advance - Paycheck Protection Program	-	(167,607)
Fiscal agent funds	18,215	(63,171)
Unemployment trust reserve liability	14,135	13,251
	<u>306,001</u>	<u>(129,625)</u>
Net change in cash from operating activities		
Cash flows from investing activities:		
Purchases of investments - mutual funds	-	(15,540)
Sales of investments - mutual funds	9,688	-
Purchases of property and equipment	(21,110)	(75,004)
	<u>(11,422)</u>	<u>(90,544)</u>
Net change in cash from investing activities		
Net change in cash	294,579	(220,169)
Cash, cash equivalents, and restricted cash, beginning of year	1,388,373	1,608,542
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 1,682,952</u>	<u>\$ 1,388,373</u>
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 1,563,266	\$ 1,312,566
Restricted cash:		
Cash - fiscal agents funds	40,088	21,873
Unemployment trust reserve	79,598	53,934
Cash, cash equivalents, and restricted cash, as presented above	<u>\$ 1,682,952</u>	<u>\$ 1,388,373</u>

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

ADVANCING CONNECTICUT TOGETHER, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 1 - PURPOSE OF ORGANIZATION:

Advancing Connecticut Together, Inc. (“ACT”) with its partners, addresses the root causes of poverty, addiction and health inequities through strength-based services and advocacy to ensure all people in Connecticut have equitable resources necessary to achieve multi-generational health, wealth and happiness. Our Vision: We see a future whereby our neighbors thrive in an equitable society.

Connecticut Association for Human Services, Inc. (“CAHS”), a division of ACT, 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.

Effective January 1, 2023, ACT and CAHS (collectively, the “Organization”) merged operations and financial activity. The financial statements for the year ended December 31, 2022 present the consolidated financial position, activities, functional expenses, and cash flows for the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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.

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.

Cash - Fiscal Agent Funds

The Organization acts as a fiscal agent for certain programs. The funding received for these programs is 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, 2023 and 2022, approximately 89% and 86%, respectively, of the Organization's funding came from the State of Connecticut and the Federal government.

Conditional Promises to Give

For each of the years ended December 31, 2023 and 2022, the Organization had unexpended grants of approximately \$11,956,010 and \$8,423,204, respectively, 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 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.

Contributed Nonfinancial Assets

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Contributed services are recorded at fair value based on current rates for similar services. Volunteers also provided support and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under U.S. GAAP were not met. The Organization has recognized \$544,686 and \$367,782 of contributed nonfinancial assets for the years ended December 31, 2023 and 2022, respectively. These contributions were made up of volunteer hours for the Volunteer Income Tax Assistance program that are calculated based on the average salaries of tax preparers and are reported as contributions for the years ended December 31, 2023 and 2022.

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.

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

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.

Estimates

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

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 the Organization’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, 2023 and 2022.

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.

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

Prior-Year Information

The statements of financial position and activities include certain prior-year summarized comparative information in total but not by net asset class and the 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, 2022, from which the summarized information was derived.

Subsequent Events Measurement Date

The Organization monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the period from December 31, 2023 through September 17, 2024, the date on which 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>2023</u>	<u>2022</u>
Financial assets, at year end:		
Cash and cash equivalents	\$ 1,563,266	\$ 1,312,566
Grants, fees and contributions receivable	4,070,605	4,021,349
Investments - mutual funds	119,329	120,198
	<u>5,753,200</u>	<u>5,454,113</u>
Less those unavailable for general expenditure within one year:		
Net assets restricted by donor	(512,457)	(151,787)
Board restrictions	<u>(762,019)</u>	<u>(751,304)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,478,724</u>	<u>\$ 4,551,022</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.

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, 2023 and 2022.

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. Effective March 2023, UST merged the CAHS balance into the ACT account.

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, 2023 and 2022 was \$3,053 and \$3,049, respectively. The total asset value of the Richard B. Fried Fund at December 31, 2023 and 2022 was \$75,290 and \$67,134, respectively. The total asset value is not recorded on the financial statements.

NOTE 7 - PAYCHECK PROTECTION PROGRAM:

CAHS received approval for a Small Business Administration Paycheck Protection Program (“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 - 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>2023</u>	<u>2022</u>
Endowment, beginning of year	\$ 751,304	\$ 771,172
Investment income	1,896	8,647
Unrealized gains/(losses) on investment	8,819	(28,515)
Endowment, end of year	<u>\$ 762,019</u>	<u>\$ 751,304</u>

NOTE 9 - OPERATING LEASES:

The Organization leases various office facilities that expire on various dates through September 2027. Operating lease cost amounted to \$204,231 and \$226,100 for the years ended December 31, 2023 and 2022, respectively. The Organization uses its incremental borrowing rate of 4% to discount future lease payments. As of December 31, 2023, the weighted-average lease term for the Organization's operating leases was approximately 2.61 years. The future minimum lease payments on these leases are as follows for the years ending December 31:

2024	\$ 191,635
2025	146,847
2026	37,482
2027	<u>28,111</u>
Total undiscounted cash flows	404,075
Less: present value discount	<u>(19,646)</u>
Total lease liability	<u>\$ 384,429</u>

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

	<u>2023</u>	<u>2022</u>
Operating lease - right-of-use assets	<u>\$ 384,429</u>	<u>\$ 556,927</u>
Operating lease liabilities	<u>\$ 384,429</u>	<u>\$ 556,927</u>

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

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	<u>\$ 196,528</u>	<u>\$ 189,290</u>

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

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

	2023	2022
Early Childhood Alliance	\$ 200,000	\$ 12,500
Naloxone/Narcan	26	26
Donation for Connections	4,477	5,000
PhRMA	2,500	2,500
Leadership Development	6,650	6,650
Advocacy	5,000	5,000
Prevention	10,250	7,500
Shawn Lang Memorial Funds	20,258	19,952
Alliance for Early Success	-	12,500
Bank On CT	-	17,632
CAHS Policy Initiatives	40,000	17,724
CAHS Returning Citizens Program	49,796	18,636
New Haven Financial Empowerment Center	52,500	19,167
Volunteer Income Tax Assistance	19,000	7,000
Financial Operations (HFPG)	50,000	-
Keep The Promise	52,000	-
	<u>\$ 512,457</u>	<u>\$ 151,787</u>

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

	2023	2022
Early Childhood Alliance	\$ 62,500	\$ 76,834
Naloxone/Narcan	-	5,799
Donation for Connections	5,523	700
PhRMA	-	4,647
Leadership Development	-	5,100
Food Pantry Reserve	-	3,344
Child Development Centers Directors Forum	-	12,692
Stand Up Speak Out	-	791
Racial and Ethnic Impact Statements	-	80,791
Literacy How	-	136
Service Employees International Union	-	60,937
Prevention	4,750	-
Shawn Lang Memorial Funds	-	2,500
Alliance for Early Success	12,500	12,500
Bank On CT	37,632	17,368
CAHS Policy Initiatives	55,224	37,276
CAHS Returning Citizens Program	33,636	9,614
Children for Connecticut's Future	-	145,000
Commission Women, Children, Seniors	-	25,000
New Haven Financial Empowerment Center	84,667	57,333
Volunteer Income Tax Assistance	19,000	37,500
Keep the Promise	3,000	20,000
Connecticut Money School	5,000	-
	<u>\$ 323,432</u>	<u>\$ 615,862</u>

NOTE 11 - 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 \$37,546 and \$29,135 for the years ended December 31, 2023 and 2022, 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. Effective June 2023, employees under CAHS 401(a) defined contribution plan were moved to the ACT 403(b) matching plan. Total contributions to this plan were \$9,981 and \$13,623 for the years ended December 31, 2023 and 2022, respectively.

NOTE 12 - 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.

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 PREFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

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 financial statements of Advancing Connecticut Together, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Advancing Connecticut Together, Inc.'s 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.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut
September 17, 2024

**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.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Advancing Connecticut Together, Inc.'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.'s major federal programs for the year ended December 31, 2023. Advancing Connecticut Together, Inc.'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. 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, 2023.

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 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.'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.'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.'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.'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.'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.'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.'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 black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut
September 17, 2024

ADVANCING CONNECTICUT TOGETHER, INC.

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2023

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>				
City of Hartford -				
HIV Emergency Relief Project Grants	93.914	HHS2020-31A HSS2021-30A	\$ -	\$ 649,082
			<u>-</u>	<u>649,082</u>
State of Connecticut, Department of Public Health -				
HIV Prevention Activities Health Department Based	93.940	2019-0154 2022-0017	-	113,457
			<u>-</u>	<u>113,457</u>
City of Hartford -				
HIV Care Formula Grants	93.917	HHS2022-29	-	449,844
			<u>-</u>	<u>449,844</u>
State of Connecticut, Department of Social Services				
Social Services Block Grant	93.667	18DSS6101FA 064-1FA-CSV-01	-	75,209
			<u>-</u>	<u>75,209</u>
Total U.S. Department of Health and Human Services Programs			<u>-</u>	<u>1,287,592</u>
U.S. Department of Housing and Urban Development:				
<i>Pass-through Programs:</i>				
State of Connecticut, Department of Housing -				
Emergency Solutions Grant Program	14.231	15DOH0101AA 23DOH0901AA 20DOH0911A	-	1,041,305
COVID-19 Emergency Solutions Grant Program - CARES	14.231	22DOH0931AAESG	-	372,380
City of Hartford -				
Emergency Solutions Grant Program	14.231	21-91.06 22-91.06	-	142,935
			<u>-</u>	<u>1,556,620</u>
City of Hartford -				
COVID-19 Housing Opportunities for Persons with AIDS	14.241	20-91.06	-	7,414
City of Worcester -				
Housing Opportunities for Persons with AIDS	14.241	N/A	-	62,754
			<u>\$ -</u>	<u>\$ 70,168</u>

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

ADVANCING CONNECTICUT TOGETHER, INC.

Schedule of Expenditures of Federal Awards (Continued)

For the year ended December 31, 2023

Federal Grantor/ Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
State of Connecticut, Department of Housing -				
		17DOH0901AA		
		18DOH0911AA		
		19DOH0911AA		
		20DOH0901AA		
		20DOH0931AA		
		22DOH0931AAESG		
		22DOH0911AA		
Continuum of Care Program	14.267	23DOH0901AA	\$ -	\$ 3,305,886
State of Connecticut, Department of Mental Health and Addiction Services -				
Continuum of Care Program	14.267	22MHA1013	-	250,000
			-	3,555,886
			-	5,182,674
Total U.S. Department of Housing and Urban Development Programs				
U.S. Department of the Treasury:				
<i>Pass-through Programs:</i>				
Internal Revenue Service -				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	23VITA0080 23VITA0068	-	112,647
Total U.S. Department of the Treasury Programs				
			-	112,647
Total Expenditures of Federal Awards			\$ -	\$ 6,582,913

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

ADVANCING CONNECTICUT TOGETHER, INC.

Notes to Schedule of Expenditures of Federal Awards

For the year ended December 31, 2023

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. under programs of the federal government for the year ended December 31, 2023. 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., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Advancing Connecticut Together, Inc.

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. has elected to use the 10% de minimis indirect cost rate.

ADVANCING CONNECTICUT TOGETHER, INC.

Schedule of Federal Findings and Questioned Costs

For the year ended December 31, 2023

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 no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes 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 no

Identification of Major Programs

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.914	HIV Emergency Relief Project Grants
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 no

II. Financial Statement Findings

No matters reported.

III. Federal Awards Findings and Questioned Costs

No matters reported.

**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.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Advancing Connecticut Together, Inc.'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.'s major state programs for the year ended December 31, 2023. Advancing Connecticut Together, Inc.'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. 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, 2023.

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 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.'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.'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.'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.'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.'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.'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.'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 17, 2024

ADVANCING CONNECTICUT TOGETHER, INC.

Schedule of Expenditures of State Financial Assistance

For the year ended December 31, 2023

State Grantor/ Pass-through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Public Health			
HIV Services	12004-DPH48500-12236	\$ -	\$ 589,415
HIV Services	12060-DPH48500-30401	-	103,641
Needle and Syringe Exchange Program	12004-DPH48500-12100	-	51,886
Peer to Peer Navigation	12060-DPH48500-35226	-	151
Total Department of Public Health		-	745,093
Department of Housing			
AIDS Residential (AID)	11000-DOH46920-16149-1200902	-	441,305
Shelter Diversion/Rapid Rehousing	11000-DOH46920-16149-1200904	-	1,768,068
Homeless Youth	11000-DOH46920-12504	-	86,864
Community Investment Account	12060-DOH46920-35328	-	1,635,743
Total Department of Housing		-	3,931,980
Total State Financial Assistance		\$ -	\$ 4,677,073

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

ADVANCING CONNECTICUT TOGETHER, INC.

Note to Schedule of Expenditures of State Financial Assistance

For the year ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) includes state grant activity of Advancing Connecticut Together, Inc. under programs of the State of Connecticut for the year ended December 31, 2023. 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. Because the schedule presents only a selected portion of the operations of Advancing Connecticut Together, Inc., it is not intended and does not present the financial position, changes in fund balance, changes in net position, or cash flows of Advancing Connecticut Together, Inc.

The accounting policies of Advancing Connecticut Together, Inc. 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

Expenditures reported on the Schedule are presented 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.

Schedule of State Findings and Questioned Costs

For the year ended December 31, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: *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

State Financial Assistance

Internal control over major programs:

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

Type of auditors' opinion issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be Reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ yes X 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	\$ 589,415
<i>HIV Services</i>	12060-DPH48500-30401	103,641
<i>Needle and Syringe Exchange Program</i>	12004-DPH48500-12100	51,886
Department of Housing		
<i>Shelter Diversion/ Rapid Rehousing</i>	11000-DOH46920-16149-1200904	1,768,068
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.

Headquarters

280 Trumbull Street, 24th Floor
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