

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Financial Statements  
and Independent Auditor's Report**

**June 30, 2023  
(With Comparative Totals for 2022)**

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**United Way of Connecticut, Inc. and Subsidiary**

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## Independent Auditor's Report

To the Board of Directors  
United Way of Connecticut, Inc.

Report on the Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2023, 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way of Connecticut, Inc. and Subsidiary as of June 30, 2023, and the changes in their net assets and their 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 ("GAAS") 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of United Way of Connecticut, Inc. and Subsidiary 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. The consolidated financial statements of the subsidiary were not audited in accordance with *Government Auditing Standards*.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Connecticut, Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 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 GAAS 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 United Way of Connecticut, Inc. and Subsidiary'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 United Way of Connecticut, Inc. and Subsidiary'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.

### Report on Summarized Comparative Information

We have previously audited United Way of Connecticut, Inc. and Subsidiary's June 30, 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of United Way of Connecticut, Inc. and Subsidiary'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 United Way of Connecticut, Inc. and Subsidiary'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 United Way of Connecticut, Inc. and Subsidiary's internal control over financial reporting and compliance.

*CohnReznick LLP*

Hartford, Connecticut  
December 21, 2023

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Financial Position**

**June 30, 2023**

**(With Comparative Totals for 2022)**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash	\$ 9,383,596	\$ 8,962,496
Contracts receivable	1,729,802	315,770
Local United Way receivables	5,491	4,384
Other receivables	25,998	1,140
Prepaid expenses	167,279	91,218
Total current assets	<u>11,312,166</u>	<u>9,375,008</u>
Office furniture and equipment	1,500,271	436,646
Less accumulated depreciation	<u>(309,271)</u>	<u>(283,535)</u>
Net office furniture and equipment	1,191,000	153,111
Other assets		
Right-of-use asset - operating lease	<u>7,789,282</u>	<u>-</u>
Total assets	<u>\$ 20,292,448</u>	<u>\$ 9,528,119</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 2,606,979	\$ 2,125,648
Refundable advances	4,620,679	3,308,196
Deferred revenue	886,410	610,475
Current maturities of long-term debt	30,155	-
Current portion of operating lease liabilities	<u>237,446</u>	<u>-</u>
Total current liabilities	<u>8,381,669</u>	<u>6,044,319</u>
Noncurrent liabilities		
Long-term debt, less current maturities	814,289	-
Operating lease liabilities, net of current portion	<u>7,551,836</u>	<u>-</u>
Total noncurrent liabilities	<u>8,366,125</u>	<u>-</u>
Total liabilities	<u>16,747,794</u>	<u>6,044,319</u>
Commitments and contingencies	-	-
Net assets without donor restrictions	<u>3,544,654</u>	<u>3,483,800</u>
Total liabilities and net assets	<u>\$ 20,292,448</u>	<u>\$ 9,528,119</u>

See Notes to Consolidated Financial Statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Activities  
Year Ended June 30, 2023  
(With Comparative Totals for 2022)**

	<u>2023</u>	<u>2022</u>
Change in net assets without donor restrictions		
Revenue, gains and other support		
Governmental grants and contracts	\$ 36,670,046	\$ 37,104,263
Local United Way revenue	321,137	375,523
Grants and contracts, other	765,508	751,895
Miscellaneous	<u>58,649</u>	<u>75,559</u>
Total revenue, gains and other support	<u>37,815,340</u>	<u>38,307,240</u>
Expenses		
Program services		
2-1-1 Health and Human Services	16,810,168	12,881,750
Care 4 Kids	9,419,163	8,424,998
Child Care Services	7,478,528	13,217,580
CRC and other programs	<u>202,391</u>	<u>95,321</u>
Total program services	33,910,250	34,619,649
Support services		
Management and general	<u>3,844,236</u>	<u>3,263,174</u>
Total expenses	<u>37,754,486</u>	<u>37,882,823</u>
Change in net assets	60,854	424,417
Net assets, beginning	<u>3,483,800</u>	<u>3,059,383</u>
Net assets, end	<u>\$ 3,544,654</u>	<u>\$ 3,483,800</u>

See Notes to Consolidated Financial Statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023  
(With Comparative Totals for 2022)**

	Program services					Support services	2023 Total	2022
	2-1-1 Health and Human Services	Care 4 Kids	Child Care Services	CRC and other programs	Total	Management and general		
Salaries	\$ 9,581,099	\$ 6,597,816	\$ 1,176,837	\$ 2,615	\$ 17,358,367	\$ 2,002,606	\$ 19,360,973	\$ 15,950,635
Health, pension and benefits	2,077,568	1,396,819	296,255	2,558	3,773,200	434,704	4,207,904	3,371,134
Payroll taxes	706,122	482,989	85,916	391	1,275,418	140,132	1,415,550	1,171,739
<b>Total personnel expenses</b>	<b>12,364,789</b>	<b>8,477,624</b>	<b>1,559,008</b>	<b>5,564</b>	<b>22,406,985</b>	<b>2,577,442</b>	<b>24,984,427</b>	<b>20,493,508</b>
Emergency lodging	474	-	5,186,432	-	5,186,906	-	5,186,906	10,373,135
Contract services	2,999,790	182,374	136,581	180,030	3,498,775	467,565	3,966,340	3,714,011
Occupancy	496,238	313,122	71,125	4,415	884,900	107,280	992,180	985,789
Depreciation	12,741	8,707	1,582	43	23,073	2,662	25,735	25,735
Postage	28,981	39,396	25,959	8	94,344	3,376	97,720	98,568
Telephone	374,834	160,537	48,270	107	583,748	67,346	651,094	636,939
Office supplies, IT and program materials	228,151	123,572	267,022	2,645	621,390	428,997	1,050,387	926,788
Printing and copying	22,314	43,726	6,695	392	73,127	3,849	76,976	70,112
Miscellaneous	150,035	6,789	93,624	8,546	258,994	55,832	314,826	254,464
Staff training and development	121,038	58,656	13,898	356	193,948	15,292	209,240	143,510
Insurance	-	-	-	-	-	114,424	114,424	76,832
Travel	900	515	66,438	101	67,954	171	68,125	52,173
Advertising	9,883	4,145	1,894	184	16,106	-	16,106	31,259
<b>Total expenses</b>	<b>\$ 16,810,168</b>	<b>\$ 9,419,163</b>	<b>\$ 7,478,528</b>	<b>\$ 202,391</b>	<b>\$ 33,910,250</b>	<b>\$ 3,844,236</b>	<b>\$ 37,754,486</b>	<b>\$ 37,882,823</b>

See Notes to Consolidated Financial Statements.



**United Way of Connecticut, Inc. and Subsidiary**

**Consolidated Statement of Cash Flows  
Year Ended June 30, 2023  
(With Comparative Totals for 2022)**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 60,854	\$ 424,417
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	25,736	25,735
Changes in operating assets and liabilities		
Contracts receivable	(1,414,032)	1,144,483
Local United Way receivables	(1,107)	1,262
Other receivables	(24,858)	32,747
Prepaid expenses	(76,061)	(16,804)
Accounts payable and accrued expenses	481,331	174,062
Refundable advances	1,312,483	(581,566)
Deferred revenue	<u>275,935</u>	<u>91,920</u>
Net cash provided by operating activities	<u>640,281</u>	<u>1,296,256</u>
Cash flows from investing activities		
Acquisition of furniture and fixtures	<u>(1,063,625)</u>	<u>(11,566)</u>
Net cash used in investing activities	<u>(1,063,625)</u>	<u>(11,566)</u>
Cash flows from financing activities		
Proceeds from loan payable	<u>844,444</u>	<u>-</u>
Net cash provided by investing activities	<u>844,444</u>	<u>-</u>
Net increase in cash	421,100	1,284,690
Cash, beginning	<u>8,962,496</u>	<u>7,677,806</u>
Cash, end	<u>\$ 9,383,596</u>	<u>\$ 8,962,496</u>

See Notes to Consolidated Financial Statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

**Note 1 - Organization and summary of significant accounting policies**

**Organization and operations**

United Way of Connecticut, Inc. administers eligibility based Child Care Assistance Programs for the State of Connecticut. United Way of Connecticut, Inc. provides Connecticut's statewide information, referral and crisis intervention services, 24 hours a day, 7 days a week. United Way of Connecticut, Inc. facilitates the sharing of information and other resources among the independent local United Ways in Connecticut. United Way of Connecticut, Inc. is a vehicle to identify and pursue public policy objectives which affect human services in Connecticut and, through the Community Results Center, provides research and analysis that informs local planning and decision making.

The Child Care Assistance Programs (Care 4 Kids, 2-1-1 Child Care, Provider Orientation Program, and Quality Improvement System) and the Statewide Information, Referral and Crisis Intervention Service Program ("2-1-1") are restrictively funded by grants, contracts and/or revenue generated through the efforts or assets of the program as follows:

Child Care Assistance Program which encompasses Care 4 Kids, 2-1-1 Child Care, Provider Orientation Program, and Quality Improvement System - Funded by the Office of Early Childhood.

Statewide Information, Referral and Crisis Intervention Service Program - Funded through:

- State of Connecticut Department of Social Services ("DSS") as administrator of 2-1-1, Health Care Line, Electronic Benefit Transfer ("EBT"), and MyPlaceCT;
- Office of Early Childhood ("OEC") as administrator of Help Me Grow and Birth to Three Programs;
- Department of Public Health ("DPH") as administrator of the Maternal Child Health Grant and COVID-19 program;
- Local United Ways and other community service organizations;
- Department of Children and Families ("DCF") as administrator of Emergency Mobile Psychiatric Services program; and
- Department of Housing ("DOH") as administrator of Coordinated Access and COVID-19 Programs.

United Way Services - Funded through local United Ways and various grants.

Community Results Center - Funded through various contracts and grants.

**Principles of consolidation**

United Way of Connecticut, Inc. is affiliated with Connecticut Policy and Economic Council, Inc. ("CPEC"). United Way of Connecticut, Inc. is the sole member of CPEC and the Board of Directors of United Way of Connecticut, Inc. serves as the Board of Directors of CPEC.

## United Way of Connecticut, Inc. and Subsidiary

### Notes to Consolidated Financial Statements

June 30, 2023

(With Comparative Totals for June 30, 2022)

As of January 1, 2006, all programs of CPEC were transferred to the Community Results Center Department of United Way of Connecticut, Inc.; however, CPEC has continued to function as a separate entity. Intercompany accounts and transactions have been eliminated in consolidation.

United Way of Connecticut, Inc. and CPEC are referred to collectively as the "Organization".

#### **Basis of presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements report information regarding the Organization's consolidated financial position and activities according to the following net asset categories:

*Net assets without donor restrictions* - Net assets that are not subject to explicit donor-imposed stipulations represent available resources.

*Net assets with donor restrictions* - Net assets may be subject to donor-imposed stipulations are temporary in nature, such as those that may or will be met by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity.

At June 30, 2023 and 2022, there were no net assets with donor restrictions.

#### **Tax status**

The Organization is incorporated as a not-for-profit entity and is exempt from federal and state income tax under the provisions of the Internal Revenue Code Section 501(c)(3).

Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Organization's federal and state information returns prior to year 2020 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated statement of financial position.

#### **Revenue recognition**

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

Transactions where the resource provider often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

## **United Way of Connecticut, Inc. and Subsidiary**

### **Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

Unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

#### ***Grant and contract services***

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that is accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Receipts of grant awards in advance, which are payable back to the funding agency if not used, are classified as refundable advances in the accompanying consolidated statement of financial position.

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

The Organization considers all unrestricted, highly-liquid investments with an initial maturity of three months or less when acquired to be cash equivalents. There were no cash equivalents held by the Organization as of June 30, 2023 and 2022.

#### **Office furniture and equipment**

The Organization capitalizes all expenditures (other than those purchased with funds received from state funding agencies) for office furniture and equipment that are in excess of \$5,000 and that have a useful life of greater than one year. Purchased office furniture and equipment are carried at cost. Donated office furniture and equipment are carried at the approximate fair value at the date of donation. Office furniture and equipment are depreciated using the straight-line method over estimated useful lives of three to seven years.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of activities for the period.

## **United Way of Connecticut, Inc. and Subsidiary**

### **Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

Capital assets purchased with funds received from all state funding agencies are expensed in the year acquired and are charged to the program benefited. Title to the equipment remains with the funding agency and the capital assets revert to that agency at the termination of the program. The amount of equipment purchased and expensed with state funds was \$0 for the years ended June 30, 2023 and 2022.

#### **Prior year summarized information**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. 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 consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

#### **Use of 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.

#### **Functional expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses attributable to more than one program or supporting function have been allocated according to the Organization's approved cost allocation plan. Salaries and employee benefits have been allocated based on time and effort. Fringe benefit costs and other costs have been allocated based on salaries charged to the program compared to total salaries.

#### **Advertising costs**

Advertising costs are expensed as incurred and included in functional expenses.

#### **New accounting pronouncement**

The Organization adopted Accounting Standards Update 2016-02 (as amended), Leases ("Topic 842") on July 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for virtually all leases. The Organization elected and applied the following transition practical expedients when initially adopting Topic 842:

- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

There was no material impact to the Organization as of the transition date of July 1, 2022.

## **United Way of Connecticut, Inc. and Subsidiary**

### **Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

The adoption of Topic 842 did not have a material impact on the Organization's change in net assets for the year ended June 30, 2023.

The Organization presents its right-of-use assets and lease liabilities for operating leases separately on its consolidated statements of financial position. See Note 7 regarding the Organization's leasing agreements.

#### **Subsequent events**

The Organization has evaluated subsequent events through December 21, 2023, which is the date the consolidated financial statements were available to be issued.

#### **Note 2 - Concentrations of credit risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and receivables. The Organization maintains its cash with high-credit quality financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. As of June 30, 2023 and 2022, the Organization has cash balances on deposit that exceeded the balance insured by the FDIC of approximately \$9,295,000 and \$9,021,000, respectively.

Contracts and other receivables are limited to contributions from various foundations, businesses and individuals. Management does not believe any credit risk exists and, therefore, no allowance for doubtful accounts has been recorded.

Approximately 16% and 13% of the Organization's funding was provided by grants from the State of Connecticut DSS for the years ended June 30, 2023 and 2022, respectively.

Approximately 42% and 33% of the Organization's funding was provided by grants from the OEC for the years ended June 30, 2023 and 2022, respectively.

Approximately 17% and 29% of the Organization's funding was provided by grants from the DOH for the years ended June 30, 2023 and 2022, respectively.

Approximately 15% and 6% of the Organization's funding was provided by grants from the DMHAS for the years ended June 30, 2023 and 2022, respectively.

#### **Note 3 - Liquidity**

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

As of June 30, 2023 and 2022, the Organization has financial assets available to meet annual operating needs for the subsequent fiscal year as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 9,383,596	\$ 8,962,496
Contracts receivable	1,729,802	315,770
Local United Way and other receivables	31,489	5,524
Less refundable advances	<u>(4,620,679)</u>	<u>(3,308,196)</u>
 Total	 <u>\$ 6,524,208</u>	 <u>\$ 5,975,594</u>

These consolidated financial assets are not subject to any donor or contractual restrictions.

The Organization supports its general operations primarily with government grants and contracts. However, in addition to existing financial assets available to meet general expenditures within one year, the Organization has a line of credit available in the amount of \$2,000,000 to assist with short-term liquidity needs.

**Note 4 - Line of credit**

The Organization has a \$2,000,000 revolving line of credit from a bank which will expire on January 31, 2025. Available funds as of June 30, 2023 and 2022 were \$2,000,000. The line of credit is secured by a security interest on all the business assets. Interest is payable monthly on any advances outstanding at a variable rate equal to the bank's "Prime Rate" plus 0.50% (8.75% at June 30, 2023). Any unpaid balances must be paid in full on the expiration date. There was no outstanding balance as of June 30, 2023 and 2022 and no borrowings during both fiscal years.

**Note 5 - Term loan**

Long-term debt as of June 30, 2023 consists of the following:

Term loan with an interest rate of 8.25% and a maturity date of February 1, 2031. Interest is due and payable monthly. The Organization is able to draw on the loan until February 1, 2024, the amortization commencement date. The amortization period is 7 years. The purpose of the loan is to finance leasehold improvements and the purchase of new furniture at the Organization's business location.	<u>\$ 844,444</u>
	844,444
Less current maturities	<u>30,155</u>
	<u>\$ 814,289</u>

## United Way of Connecticut, Inc. and Subsidiary

### Notes to Consolidated Financial Statements

June 30, 2023

(With Comparative Totals for June 30, 2022)

Future maturities of long-term debt for the five years subsequent to June 30, 2023 and thereafter are as follows:

2024	\$	30,155
2025		95,587
2026		103,778
2027		112,671
2028		122,326
Thereafter		<u>379,927</u>
	\$	<u><u>844,444</u></u>

#### Note 6 - Pension plan

The Organization maintains a defined contribution pension plan covering all employees of the Organization with 30 days of service, who have attained the age of 21. Effective January 1, 2019, employees are now eligible to participate once they have attained the age of 18. Employees become eligible to receive employer contributions after six months of service. The Organization's contribution to the plan was at 8% of eligible payroll for the plan year. For the years ended June 30, 2023 and 2022, pension plan contribution expense totaled \$1,321,252 and \$1,032,595, respectively.

#### Note 7 - Leases

The Organization leases a building used for its administrative functions. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Organization remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Organization estimates that their lending rate is appropriate to use as the discount rate. The Organization's lending rate, which is determined at either lease commencement or when a lease liability is remeasured, is the rate on which the Organization would be charged interest from their lending institution.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date of a lease. The Organization's leases generally have minimum base terms



**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at predetermined rental amounts. Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price index ("CPI") in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

**Leases involving real estate**

The lease of the facility has a term of 13 years. These terms have been incorporated into the measurement of the related right-of-use assets and lease liabilities. Although most real estate leases include one or more options to renew that can extend the contractual terms from five to 10 years, those renewal options are exercisable solely at the Organization's discretion and have been excluded from the lease term measurements. The real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance.

**Financial information**

The following provides information about the Organization's right-of-use asset and lease liabilities for its operating leases as of June 30, 2023:

	Statement of Financial Position Classification	June 30, 2023
Right-of-use asset		
Operating lease	Other assets	\$ 7,789,282
Total lease asset		\$ 7,789,282
Lease liabilities		
Current		
Operating lease	Current liabilities	\$ 237,446
Noncurrent		
Operating lease	Long-term liabilities	7,551,836
Total lease liabilities		\$ 7,789,282

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

The components of the Organization's lease cost for the year ended June 30, 2023 are as follows:

	<u>Functional Expense Classification</u>	<u>June 30, 2023</u>
Operating lease cost, net		
Rent expense	Occupancy	\$ 87,829
Short term lease (1)	Occupancy	<u>697,077</u>
 Total lease cost, net		 <u><u>\$ 784,906</u></u>

(1) The Organization has elected to apply the short-term lease practical expedient to its month-to-month lease ending May 31, 2023 which allows the Organization to not record the right-of-use asset an liability.

Supplemental cash flow information related to the Organization's leases for the year ended June 30, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities	\$ 78,403
 Right-of-use assets obtained in the exchange of lease liability	 \$ 7,818,473

Weighted average remaining lease term and weighted average discount rate for the Organization's leases are as follows as of June 30, 2023:

Weighted average remaining term (in years)	13 years
 Weighted average discount rate	 9.00%

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

The annual maturity analysis of the Organization's lease liabilities as of June 30, 2023 is as follows:

Year	
2024	\$ 929,222
2025	816,554
2026	984,395
2027	1,005,302
2028	1,026,210
Thereafter	<u>8,851,869</u>
Total lease payments	13,613,552
Less total interest payments	<u>(5,824,270)</u>
Present value of lease liabilities	7,789,282
Less current portion of lease liabilities	<u>(237,446)</u>
Noncurrent portion of lease liabilities	<u><u>\$ 7,551,836</u></u>

Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts. Certain leases of real estate provide for rental increases based on the CPI, which are included in the Organization's measurement of lease payments based on the rate or index in effect at lease commencement and are therefore included in the measurement of the lease liabilities.

Total rent expense for these operating leases was \$1,001,508 for the year ended June 30, 2022.

**Note 8 - Contingency**

**Litigation**

From time to time, the Organization is a defendant in actions arising in the ordinary course of business. In the opinion of management, such litigation will not have a material effect on the Organization's consolidated financial condition or results of operations.



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**United Way of Connecticut, Inc. and Subsidiary**

**State Financial Assistance in Accordance  
with the State Single Audit Act  
and Independent Auditor's Reports**

**June 30, 2023**

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**United Way of Connecticut, Inc. and Subsidiary**

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Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
United Way of Connecticut, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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 December 21, 2023. The consolidated financial statements of Connecticut Policy and Economic Council, Inc. were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Connecticut Policy and Economic Council, Inc.

#### Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered United Way of Connecticut, 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 United Way of Connecticut, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Connecticut, 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 the entity'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 have not been identified.

## Report on Compliance and Other Matters

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

*CohnReznick LLP*

Hartford, Connecticut  
December 21, 2023



Independent Auditor's Report on Compliance for Each Major State Program; Report on  
Internal Control over Compliance; and Report on the Schedule of Expenditures of  
State Financial Assistance Required by the State Single Audit Act

To the Board of Directors  
United Way of Connecticut, Inc.

Report on Compliance for Each Major State Program

*Opinion on Each Major State Program*

We have audited United Way of Connecticut, Inc. and Subsidiary's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of United Way of Connecticut, Inc. and Subsidiary's major state programs for the year ended June 30, 2023. United Way of Connecticut, Inc. and Subsidiary's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Connecticut, Inc. and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Connecticut, 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 United Way of Connecticut, 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 United Way of Connecticut, Inc. and Subsidiary's major state programs.

### *Auditor's 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 United Way of Connecticut, 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 GAAS, *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 United Way of Connecticut, Inc. and Subsidiary's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *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 United Way of Connecticut, 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 United Way of Connecticut, 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 United Way of Connecticut, 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 Auditor's 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.

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CohnReznick LLP*

Hartford, Connecticut  
December 21, 2023

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2023**

State grantor/pass-through grantor/ program title	State grant program CORE-CT number	Passed through to subrecipients	Expenditures
Office of Early Childhood			
Care 4 Kids	11000-OEC64840-16147	\$ -	\$ 10,232,246
Care 4 Kids - Childcare Infoline	11000-OEC64840-16147	-	2,774,796
Wage Supports for Early Childhood Educators	11000-OEC64806-12639	-	180,000
		<u>-</u>	<u>13,187,042</u>
Total Office of Early Childhood			
Department of Social Services			
Choices Program - 211/Husky/Medicaid for The Employed Disabled/Section 8/Health Care Line/EBT/MyPlaceCT	11000-DSS60000-10020	-	3,593,167
Choices Program - Electronic Visit Verification System Implementation	11000-DSS60000-10020	-	2,207,142
Choices Program - Abortion Rights Hotline	11000-DSS60000-10020	-	149,954
		<u>-</u>	<u>5,950,263</u>
Total Department of Social Services			
Department of Children and Families			
Community Kidcare - Emergency Mobile Psychiatric Services	11000-DCF91100-16141	-	861,267
Directory Database	11000-DCF91111-10020	-	5,077
		<u>-</u>	<u>866,344</u>
Total Department of Children and Families			
Department of Housing			
211 Coordinated Access Network	11000-DOH46920-16149	-	220,150
211 Coordinated Access Network	12060-DOH46920-35328	-	362,021
		<u>-</u>	<u>582,171</u>
Total Department of Housing			
Department of Mental Health and Addiction Services			
Network of Care	11000-MHA53120-10020	-	4,000
Managed Service System	11000-MHA53000-12157	-	772,041
Coordinated Access	11000-DOH46920-16149	-	275,000
		<u>-</u>	<u>1,051,041</u>
Total Department of Mental Health and Addiction Services			
Department of Transportation			
Transportation Program	DOT01703472OP	-	8,380
		<u>-</u>	<u>8,380</u>
Total expenditures of state financial assistance		<u>\$ -</u>	<u>\$ 21,645,241</u>

See Note to Schedule of Expenditures of State Financial Assistance.

**United Way of Connecticut, Inc. and Subsidiary**

**Note to Schedule of Expenditures of State Financial Assistance  
June 30, 2023**

**Note 1 - Basis of presentation**

The accounting policies of United Way of Connecticut, Inc. and Subsidiary (the "Organization") conform to accounting principles generally accepted in the United States of America for nonprofit entities.

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes state grant activity of the Organization under programs of the State of Connecticut for the fiscal year ended June 30, 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.

The expenditures reported on the Schedule are reported on the accrual basis of accounting. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Findings and Questioned Costs  
June 30, 2023**

**I. Summary of Auditor's Results**

Financial Statements

Type of auditor's opinion issued on whether the consolidated 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 consolidated 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 auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

           yes   X   no

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

<u>State grantor and program</u>	<u>State CORE-CT number</u>	<u>Expenditures</u>
Office of Early Childhood Care 4 Kids	11000-OEC64840-16147	\$ 13,007,042
Department of Social Services 211 Information and Referral Program	11000-DSS60000-10020	3,593,167
Abortion Rights Hotline	11000-DSS60000-10020	149,954
Electronic Visit Verification System Implementation	11000-DSS60000-10020	2,207,142
Department of Mental Health and Addiction Services Managed Service System	11000-MHA53000-12157	772,041
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 432,905</u>

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Findings and Questioned Costs  
June 30, 2023**

**II. Financial Statement Findings**

None

**III. State Financial Assistance Findings**

None



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**United Way of Connecticut, Inc. and Subsidiary**

**Federal Awards in Accordance  
with the Uniform Guidance  
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**June 30, 2023**

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**United Way of Connecticut, Inc. and Subsidiary**

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Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
United Way of Connecticut, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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 December 21, 2023. The consolidated financial statements of Connecticut Policy and Economic Council, Inc. were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Connecticut Policy and Economic Council, Inc.

#### Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered United Way of Connecticut, 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 United Way of Connecticut, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Connecticut, 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 the entity'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 have not been identified.

## Report on Compliance and Other Matters

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

*CohnReznick LLP*

Hartford, Connecticut  
December 21, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors  
United Way of Connecticut, Inc.

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited United Way of Connecticut, 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 United Way of Connecticut, Inc. and Subsidiary's major federal programs for the year ended June 30, 2023. United Way of Connecticut, Inc. and Subsidiary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Connecticut, Inc. and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Connecticut, 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 United Way of Connecticut, 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 United Way of Connecticut, Inc. and Subsidiary's federal programs.

### *Auditor's 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 United Way of Connecticut, 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 GAAS, *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 United Way of Connecticut, Inc. and Subsidiary's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 United Way of Connecticut, 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 United Way of Connecticut, 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 United Way of Connecticut, 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 Auditor's 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.

#### Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CohnReznick LLP*

Hartford, Connecticut  
December 21, 2023

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023**

Federal grantor/pass-through grantor/ program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
U.S. Department of Health and Human Services				
Passed through State of Connecticut, Department of Mental Health and Addiction Services				
Block Grants for Community Mental Health Services	93.958	21MHA1005	\$ -	\$ 3,040,437
Passed through State of Connecticut, Department of Children and Families				
Block Grants for Community Mental Health Services	93.958	20DCF0344	-	445,629
Block Grants for Community Mental Health Services	93.958	21DCF6959AA	-	46,454
Total CFDA 93.958			-	3,532,520
Passed through State of Connecticut, Department of Mental Health and Addiction Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	21MHA1005, 22MHA1075	-	835,700
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	21MHA1005	-	498,087
Opioid STR	93.788	21MHA1035	-	2,224
Passed through State of Connecticut, Department of Public Health				
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds ("PPHF")	93.758	2018-0058	-	4,638
Injury Prevention and Control Research and State and Community Based Programs	93.136	2022-0013	-	203,808
Maternal and Child Health Services Block Grant to the States	93.994	2018-0058, 2023-0022	-	250,530
COVID-19 - Immunization Cooperative Agreements	93.268	2021-014	-	75,793
Passed through State of Connecticut, Department of Children and Families				
Promoting Safe and Stable Families Program	93.556	22DCF6977AA	-	10,955
Passed through Office of Early Childhood				
Every Student Succeeds Act/Preschool Development Grants	93.434	N/A	-	27,092
CCDF Cluster				
Child Care and Development Block Grant	93.575	2101CTCDC6	-	1,065,012
Child Care and Development Block Grant	93.575	20OECCDF01UWC	-	472,705
Child Care and Development Block Grant	93.575	N/A	-	70,996
Total CCDF Cluster			-	1,608,713
Total U.S. Department of Health and Human Services			-	7,050,060



**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023**

Federal grantor/pass-through grantor/ program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
U.S. Department of Education				
Passed through State of Connecticut, Office of Early Childhood				
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B) -				
Total Special Education Cluster	84.027	20OECB2301UWC	-	350,110
Special Education - Grants for Infants and Families	84.181A	20OECB2301UWC	-	114,083
Passed through State of Connecticut, Department of Children and Families				
Elementary and Secondary School Emergency Relief Fund	84.425D	20DCF0344	-	56,300
Total U.S. Department of Education			-	520,493
U.S. Department of Transportation				
Passed through State of Connecticut, Department of Transportation				
Transit Services Program Cluster				
New Freedom Program	20.521	DOT01703335OP	-	8,380
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT04990008OP	-	23,684
Total U.S. Department of Transportation - Transit Services Program Cluster			-	32,064
U.S. Department of the Treasury				
Passed through State of Connecticut, Department of Mental Health and Addiction Services				
Coronavirus State and Local Fiscal Recovery Funds	21.027	21MHA1005, 22MHA87ARPAR2	-	108,638
Passed through State of Connecticut, Department of Housing				
Coronavirus State and Local Fiscal Recovery Funds	21.027	22DOH1001AX	-	310,251
Total U.S. Department of the Treasury			-	418,889
U.S. Department of Housing and Urban Development				
Passed through State of Connecticut, Department of Housing				
Continuum of Care Program	14.267	18DOH1001AX, 21DOH001AX	-	389,689
U.S. Department of Homeland Security				
Passed through State of Connecticut, Department of Housing				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	21DOH0101AX	-	5,135,297
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	21DOH0101AX	-	55,046
Total U.S. Department of Homeland Security			-	5,190,343
Total expenditures of federal awards			\$ -	\$ 13,601,538

See Notes to Schedule of Expenditures of Federal Awards.

**United Way of Connecticut, Inc. and Subsidiary**

**Notes to Schedule of Expenditures of Federal Awards  
June 30, 2023**

**Note 1 - Basis of presentation**

The accounting policies of United Way of Connecticut, Inc. and Subsidiary (the "Organization") conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2023. All expenditures incurred under federally sponsored agreements are recognized and recorded on an accrual basis, except for subrecipient award costs, which are recognized and recorded on a cash basis. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**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. The Organization has elected to not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Findings and Questioned Costs  
June 30, 2023**

**I. Summary of Auditor's Results**

Financial Statements

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

Unmodified opinion

Internal control over financial reporting

Material weakness(es) identified?

\_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes  X  none reported

Noncompliance material to consolidated 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 auditor's report issued on compliance for major federal programs

Unmodified opinion

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(s)

Name of Federal Program or Cluster

93.958

Block Grants for Community Mental Health Services

93.575

Child Care and Development Block Grant

93.959

Block Grants for Prevention and Treatment of Substance Abuse

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

\$750,000

Auditee qualified as low-risk auditee?

X  yes \_\_\_\_\_ no

**II. Findings - Financial Statement Audit**

None

**United Way of Connecticut, Inc. and Subsidiary**

**Schedule of Findings and Questioned Costs  
June 30, 2023**

**III. Federal Awards Findings**

None



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