

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

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

**June 30, 2025  
(With Comparative Totals for 2024)**

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**CohnReznick** 

**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, 2025, 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, 2025, 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 financial statements of Connecticut Policy and Economic Council, Inc. was 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, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 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 January 28, 2026, 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  
January 28, 2026

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

**Consolidated Statement of Financial Position**

**June 30, 2025**

**(With Comparative Totals for 2024)**

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash	\$ 10,998,369	\$ 11,230,247
Contracts receivable	697,443	726,143
Local United Way receivables	2,060	22,652
Prepaid expenses and other assets	181,688	155,768
Total current assets	<u>11,879,560</u>	<u>12,134,810</u>
Office furniture and equipment	2,121,471	1,785,520
Less accumulated depreciation	<u>(547,602)</u>	<u>(419,080)</u>
Net office furniture and equipment	<u>1,573,869</u>	<u>1,366,440</u>
Other assets		
Right-of-use asset - operating lease	<u>7,048,552</u>	<u>7,427,107</u>
Total assets	<u>\$ 20,501,981</u>	<u>\$ 20,928,357</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 2,522,152	\$ 2,504,933
Refundable advances	4,482,885	6,146,726
Current maturities of long-term debt	119,157	103,933
Current portion of operating lease liability	<u>329,903</u>	<u>141,156</u>
Total current liabilities	<u>7,454,097</u>	<u>8,896,748</u>
Noncurrent liabilities		
Long-term debt, less current maturities	588,811	698,747
Operating lease liability, net of current portion	<u>7,090,203</u>	<u>7,420,106</u>
Total noncurrent liabilities	<u>7,679,014</u>	<u>8,118,853</u>
Total liabilities	15,133,111	17,015,601
Commitments and contingencies	-	-
Net assets without donor restrictions	<u>5,368,870</u>	<u>3,912,756</u>
Total liabilities and net assets	<u>\$ 20,501,981</u>	<u>\$ 20,928,357</u>

See Notes to Consolidated Financial Statements.

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

**Consolidated Statement of Activities  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	<u>2025</u>	<u>2024</u>
Change in net assets without donor restrictions		
Revenue, gains and other support		
Governmental grants and contracts	\$ 35,060,069	\$ 33,461,357
Local United Way revenue	306,770	329,946
Grants and contracts, other	1,317,015	544,488
Miscellaneous	<u>235,355</u>	<u>192,809</u>
Total revenue, gains and other support	<u>36,919,209</u>	<u>34,528,600</u>
Expenses		
Program services		
2-1-1 Health and Human Services	16,744,168	15,494,063
Care 4 Kids	11,128,071	10,361,404
Child Care Services	2,610,346	3,454,720
CRC and other programs	<u>768,278</u>	<u>911,454</u>
Total program services	31,250,863	30,221,641
Support services		
Management and general	<u>4,212,232</u>	<u>3,938,857</u>
Total expenses	<u>35,463,095</u>	<u>34,160,498</u>
Change in net assets	1,456,114	368,102
Net assets, beginning	<u>3,912,756</u>	<u>3,544,654</u>
Net assets, end	<u><u>\$ 5,368,870</u></u>	<u><u>\$ 3,912,756</u></u>

See Notes to Consolidated Financial Statements.

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

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	Program services					Support services	2025 Total	2024
	2-1-1 Health and Human Services	Care 4 Kids	Child Care Services	CRC and other programs	Total	Management and general		
Salaries	\$ 10,545,430	\$ 7,995,050	\$ 1,020,981	\$ 97,537	\$ 19,658,998	\$ 2,074,532	\$ 21,733,530	\$ 20,960,395
Health, pension and benefits	2,073,522	1,622,059	215,789	55,307	3,966,677	494,555	4,461,232	4,187,418
Payroll taxes	735,578	576,760	74,768	19,487	1,406,593	202,103	1,608,696	1,536,660
<b>Total personnel expenses</b>	<b>13,354,530</b>	<b>10,193,869</b>	<b>1,311,538</b>	<b>172,331</b>	<b>25,032,268</b>	<b>2,771,190</b>	<b>27,803,458</b>	<b>26,684,473</b>
Emergency lodging	499,946	-	-	-	499,946	-	499,946	49,386
Contract services	1,288,969	88,827	570,407	445,054	2,393,257	514,281	2,907,538	3,033,646
Occupancy	499,158	400,742	66,922	10,108	976,930	130,207	1,107,137	1,108,625
Depreciation	62,380	50,084	8,371	1,261	122,096	6,426	128,522	109,809
Postage	21,970	45,002	35,226	43	102,241	5,422	107,663	93,479
Telephone	341,779	85,014	14,803	4,401	445,997	23,474	469,471	501,311
Office supplies, IT and program materials	161,110	144,938	353,035	2,843	661,926	314,345	976,271	942,481
Printing and copying	27,028	36,275	3,599	5,721	72,623	3,812	76,435	73,971
Miscellaneous	215,536	19,730	123,039	32,541	390,846	217,236	608,082	697,049
Staff training and development	72,916	15,407	6,351	64,029	158,703	182,598	341,301	335,935
Insurance	60,012	43,394	7,544	1,157	112,107	5,900	118,007	106,029
Travel	6,723	383	56,294	475	63,875	3,362	67,237	66,539
Advertising	132,111	4,406	53,217	28,314	218,048	33,979	252,027	357,765
<b>Total expenses</b>	<b>\$ 16,744,168</b>	<b>\$ 11,128,071</b>	<b>\$ 2,610,346</b>	<b>\$ 768,278</b>	<b>\$ 31,250,863</b>	<b>\$ 4,212,232</b>	<b>\$ 35,463,095</b>	<b>\$ 34,160,498</b>

See Notes to Consolidated Financial Statements.

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

**Consolidated Statement of Cash Flows  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 1,456,114	\$ 368,102
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	128,522	109,809
Right-of-use asset amortization - operating lease	378,555	362,175
Changes in operating assets and liabilities		
Contracts receivable	28,700	1,003,659
Local United Way receivables	20,592	(17,161)
Other receivables	-	25,998
Prepaid expenses	(25,920)	11,511
Accounts payable and accrued expenses	17,219	(102,046)
Refundable advances	(1,663,841)	639,637
Operating lease liability	<u>(141,156)</u>	<u>(228,020)</u>
Net cash provided by operating activities	<u>198,785</u>	<u>2,173,664</u>
Cash flows from investing activities		
Purchase of furniture and fixtures	<u>(335,951)</u>	<u>(285,249)</u>
Net cash used in investing activities	<u>(335,951)</u>	<u>(285,249)</u>
Cash flows from financing activities		
Payments on loan payable	<u>(94,712)</u>	<u>(41,764)</u>
Net cash used in financing activities	<u>(94,712)</u>	<u>(41,764)</u>
Net (decrease) increase in cash	(231,878)	1,846,651
Cash, beginning	<u>11,230,247</u>	<u>9,383,596</u>
Cash, end	<u>\$ 10,998,369</u>	<u>\$ 11,230,247</u>
Supplemental disclosure of cash flow data		
Interest paid	<u>\$ 48,873</u>	<u>\$ 57,293</u>

See Notes to Consolidated Financial Statements.

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

**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 and provides statewide information, referral and crisis intervention services, 24 hours a day, 7 days a week, 365 days a year. As a statewide association, United Way of Connecticut, Inc. leads the network of 14 independent local United Ways' efforts to improve the lives of residents struggling to make ends meet by raising awareness and by advocating for policies that build a bridge to stability for Connecticut families, United Way of Connecticut's essential workforce.

The Child Care Assistance Programs (Care 4 Kids, 2-1-1 Child Care and Provider Orientation Program) 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 and Provider Orientation Program - 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, Electronic Benefit Transfer ("EBT"), MyPlaceCT, Protective Services for the Elderly and Conservator of Person and the Electronic Verification Program;
- State of Connecticut Department of Mental Health and Addiction Services ("DMHAS") as administrator of the 988 and Adult Mobile program;
- Office of Early Childhood ("OEC") as administrator of Help Me Grow, Birth to Three Programs and the Staffed Family Child Care Network program;
- Department of Public Health ("DPH") as administrator of the Maternal Child Health Grant, COVID-19 program and the Comprehensive Suicide Prevention program;
- Department of Children and Families ("DCF") as administrator of Emergency Mobile Psychiatric Services program;
- Department of Housing ("DOH") as administrator of Coordinated Access and COVID-19 Programs; and
- Connecticut Paid Family Medical Leave Insurance Authority, Local United Ways and other community service organizations.

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

**Principles of consolidation**

United Way of Connecticut, Inc. is the sole member of Connecticut Policy and Economic Council, Inc. ("CPEC"). 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, 2025**

**(With Comparative Totals for June 30, 2024)**

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. CPEC had no activity for the years ended June 30, 2025 and 2024. 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 Organization reports information regarding its financial position and activities according to the following net asset categories:

##### **Net assets without donor restrictions**

Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes by the Board of Directors. There are no Board designated net assets as of June 30, 2025 and 2024.

##### **Net assets with donor restrictions**

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At June 30, 2025 and 2024, 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, 2025 and 2024, 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 2022 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 (if any) and include in accrued expenses in the consolidated statement of financial position.

#### **Revenue recognition**

##### **Contributions**

Transactions where the resource provider often receives 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.

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

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

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

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

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

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

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization received cost-reimbursable grants of approximately \$18,933,000 and \$14,440,000 that have not been recognized at June 30, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred. Revenue from grants and contracts that is accounted for as exchange transactions is recognized when performance obligations have been satisfied.

#### **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, 2025 and 2024.

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

The Organization capitalizes office furniture and equipment with a cost in excess of \$5,000 and an estimated useful life of more than one year. Purchased assets are recorded at cost; donated assets are recorded at their estimated fair value at the date of donation. Capitalized assets are depreciated using the straight-line method over estimated useful lives ranging from three to seven years.

Expenditures for repairs and maintenance are expensed as incurred. Upon disposal of capital assets, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the consolidated statement of activities.

Equipment purchased with funds from state funding agencies is not capitalized when title remains with the funding agency and the assets revert to the agency at the conclusion of the program. In such cases, the equipment is expensed in the year acquired and charged to the benefiting program. For the years ended June 30, 2025 and 2024, all equipment purchased with state funds was capitalized.

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

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

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

#### **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, 2024, 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.

#### **Reclassification**

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

#### **Subsequent events**

The Organization has evaluated subsequent events through January 28, 2026, 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, 2025 and 2024, the Organization has cash balances on deposit that exceeded the balance insured by the FDIC of approximately \$10,681,000 and \$11,205,000, 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 10% and 15% of the Organization's funding was provided by grants from the State of Connecticut DSS for the years ended June 30, 2025 and 2024, respectively.

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

Approximately 47% and 48% of the Organization's funding was provided by grants from the State of Connecticut Office of Early Childhood for the years ended June 30, 2025 and 2024, respectively.

Approximately 21% and 15% of the Organization's funding was provided by grants from the State of Connecticut Department of Mental Health and Addiction Services for the years ended June 30, 2025 and 2024, 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.

As of June 30, 2025 and 2024, the Organization has financial assets available to meet annual operating needs for the subsequent fiscal year as follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 10,998,369	\$ 11,230,247
Contracts receivable	697,443	726,143
Local United Way and other receivables	<u>2,060</u>	<u>22,652</u>
Financial assets available for general expenditures within one year	<u>\$ 11,697,872</u>	<u>\$ 11,979,042</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, 2027. Available funds as of June 30, 2025 and 2024 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% (8.00% at June 30, 2025). Any unpaid balances must be paid in full on the expiration date. There was no outstanding balance as of June 30, 2025 and 2024 and no borrowings during both fiscal years.

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

**Note 5 - Term loan**

Long-term debt as of June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Term loan with an interest rate of 5.45% and a maturity date of February 1, 2031. Interest is due and payable monthly. The Organization was 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. The loan is secured by personal property and fixtures of the Organization.	\$ 707,968	\$ 802,680
	707,968	802,680
Less current maturities	<u>(119,157)</u>	<u>(103,933)</u>
	<u>\$ 588,811</u>	<u>\$ 698,747</u>

Future maturities of long-term debt for the five years subsequent to June 30, 2025 and thereafter are as follows:

2026	\$	119,157
2027		116,057
2028		122,577
2029		129,591
2030		137,150
Thereafter		<u>83,436</u>
	\$	<u>707,968</u>

There are certain financial covenants that the Organization is required to meet during the year. There were no instances of noncompliance with the financial covenants.

**Note 6 - Retirement plan**

The Organization offers a defined contribution benefit plan for all employees of the Organization aged 18 or older with at least 60 days of service. Employees can begin participating on the first day of the month after meeting these requirements and become eligible to receive employer contributions after six months of service. The Organization's contribution to the plan was at 8% of eligible payroll through October 1, 2024, at which time the Organization's contribution became 5% of eligible payroll. For the years ended June 30, 2025 and 2024, benefit plan contribution expense totaled \$1,020,888 and \$1,360,336, respectively.

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

**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 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 current 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.

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

**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, 2025 and 2024:

	Consolidated Statement of Financial Position Classification	2025	2024
Right-of-use asset			
Operating lease	Other assets	\$ 7,048,552	\$ 7,427,107
Total lease asset		<u>\$ 7,048,552</u>	<u>\$ 7,427,107</u>
Lease liabilities			
Current			
Operating lease	Current liabilities	\$ 329,903	\$ 141,156
Noncurrent			
Operating lease	Long-term liabilities	7,090,203	7,420,106
Total lease liabilities		<u>\$ 7,420,106</u>	<u>\$ 7,561,262</u>

The components of the Organization's lease cost for the years ended June 30, 2025 and 2024 are as follows:

	Consolidated Statement of Functional Expense Classification	2025	2024
Operating lease cost, net			
Rent expense	Occupancy	\$ 1,053,952	\$ 1,053,952
Total lease cost, net		<u>\$ 1,053,952</u>	<u>\$ 1,053,952</u>

Supplemental cash flow information related to the Organization's leases for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities	\$ 816,554	\$ 929,222

Weighted average remaining lease term and weighted average discount rate for the Organization's leases are as follows as of June 30, 2025 and 2024:

	2025	2024
Weighted average remaining term (in years)	10.92 years	11.92 years
Weighted average discount rate	9.00%	9.00%

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

**Notes to Consolidated Financial Statements**

**June 30, 2025**

**(With Comparative Totals for June 30, 2024)**

The annual maturity analysis of the Organization's lease liabilities as of June 30, 2025 is as follows:

<u>Year</u>	
2026	\$ 984,395
2027	1,005,302
2028	1,026,210
2029	1,047,117
2030	1,068,025
Thereafter	<u>6,746,153</u>
Total lease payments	11,877,202
Less total interest payments	<u>(4,457,096)</u>
Present value of lease liabilities	7,420,106
Less current portion of lease liabilities	<u>(329,903)</u>
Noncurrent portion of lease liabilities	<u><u>\$ 7,090,203</u></u>

**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, 2025**

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**CohnReznick** 

**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, 2025, 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 January 28, 2026. The 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.

#### Report on 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.



Hartford, Connecticut  
January 28, 2026

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, 2025. 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, 2025.

*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 audit requirements of 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, 2025, and have issued our report thereon dated January 28, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed 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  
January 28, 2026

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

**Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2025**

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-OEC64841-16147	\$ -	\$ 15,843,656
Total Office of Early Childhood		-	15,843,656
Department of Social Services Choices Program - 211/Husky/Medicaid for The Employed Disabled/Section 8/Health Care Line/EBT/MyPlaceCT	11000-DSS60000-10020	-	3,593,003
Total Department of Social Services		-	3,593,003
Department of Children and Families Database	11000-DCF91111-10020	-	1,526
Community Kidcare	11000-DCF91100-16141	-	823,343
Total Department of Children and Families		-	824,869
Department of Housing Coordinated Access	11000-DOH46920-16149-1200906	-	2,218,317
Community Investment Account	12060-DOH46920-35328	-	115,737
Total Department of Housing		-	2,334,054
Department of Mental Health and Addiction Services Managed Service System	11000-MHA53000-12157	-	3,558,364
Grants for Substance Use Services	11000-MHA53000-16003	-	17,799
Total Department of Mental Health and Addiction Services		-	3,576,163
Department of Transportation Bus Operations	12001-DOT57000-12175	-	11,107
Total Department of Transportation		-	11,107
Department of Economic and Community Development Urban Action Bonds	13019-ECD46000-41240-093	-	331,209
Total Department of Economic and Community Development		-	331,209
Total expenditures of state financial assistance		\$ -	\$ 26,514,061

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, 2025**

**Note 1 - Basis of presentation**

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, 2025. 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 the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

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 Organization recognizes grants to the extent that eligible grant costs are incurred. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**Basis of accounting**

The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025**

**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 state 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 state 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 state 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-OEC64841-16147	\$15,843,656
Department of Housing Coordinated Access	11000-DOH46920-16149-1200906	\$2,218,317
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 795,422</u>

**II. Financial Statement Findings**

None reported.

**III. State Financial Assistance Findings**

None reported.



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

**Federal Awards in Accordance  
with the Uniform Guidance  
and Independent Auditor's Reports**

**June 30, 2025**

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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, 2025, 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 January 28, 2026. The 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.

#### Report on 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.



Hartford, Connecticut  
January 28, 2026

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, 2025. 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, 2025.

*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, 2025, and have issued our report thereon dated January 28, 2026, 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.



Hartford, Connecticut  
January 28, 2026

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

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

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	25MHA1003	\$ -	\$ 739,168
Passed through State of Connecticut, Department of Children and Families				
Block Grants for Community Mental Health Services	93.958	25DCF0344	-	747,500
Block Grants for Community Mental Health Services	93.958	24DCF6448AA	-	100,000
Total Federal Assistance Listing Number 93.958			-	1,586,668
Passed through State of Connecticut, Department of Mental Health and Addiction Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	24MHA1014	-	29,411
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	24MHA1012	-	984,351
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	25MHA1003	-	1,433,453
Total Federal Assistance Listing Number 93.243			-	2,447,215
Passed through State of Connecticut, Department of Children and Families				
Adoption and Legal Guardianship Incentive Payments Program	93.603	25DCF6503AA	-	3,682
Passed through Sparkler Learning, Inc.				
CCDF Cluster				
Child Care and Development Block Grant	93.575	Not available	-	77,160
Passed through State of Connecticut, Office of Early Childhood				
CCDF Cluster				
Child Care and Development Block Grant	93.575	22OECFCNP1UWC	-	482,332
Total Federal Assistance Listing Number 93.575 & CCDF Cluster			-	559,492
Passed through State of Connecticut, Department of Public Health				
Maternal and Child Health Services Block Grant to the States	93.994	2023-0022	-	253,349
Preventive Health and Health Services Block Grant	93.991	2022-0013	-	54,421
Injury Prevention and Control Research and State and Community Based Programs	93.136	2022-0013	-	254,956
Passed through Sparkler Learning, Inc.				
Every Student Succeeds Act/Preschool Development Grants	93.434	Not available	-	77,160
Total U.S. Department of Health and Human Services			-	5,236,943

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

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

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 (IDEA)				
Special Education Grants to States	84.027	20OECB2301UWC	-	386,389
Total Special Education Cluster			-	386,389
Special Education - Grants for Infants and Families	84.181A	20OECB2301UWC	-	135,611
Special Education - Grants for Infants and Families	84.181A	Not available	-	26,749
Total Federal Assistance Listing Number 84.181A			-	162,360
Passed through Connecticut Children's Medical Center				
Promise Neighborhoods Program	84.215N	Not available	-	100,102
Total U.S. Department of Education			-	648,851
U.S. Department of Labor				
Passed through State of Connecticut, Department of Labor				
Unemployment Insurance	17.225	24DOL4580EQ	-	445,310
U.S. Department of Transportation				
Passed through State of Connecticut, Department of Transportation				
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	18DOT0041AA	-	24,710
Total Transit Services Programs Cluster			-	24,710
Total U.S. Department of Transportation			-	24,710
U.S. Department of the Treasury				
Passed through State of Connecticut, Office of Early Childhood				
Coronavirus State and Local Fiscal Recovery Funds				
Coronavirus State and Local Fiscal Recovery Funds	21.027	24OECHMG01UWC	-	88,984
Passed through State of Connecticut, Department of Mental Health and				
Addiction Services				
Coronavirus State and Local Fiscal Recovery Funds	21.027	25MHA1003	-	74,590
Passed through State of Connecticut, Department of Children and				
Families				
Coronavirus State and Local Fiscal Recovery Funds	21.027	25DCF0344	-	53,377
Total Federal Assistance Listing Number 21.027			-	216,951
Total U.S. Department of the Treasury			-	216,951
U.S. Department of Housing and Urban Development				
Passed through State of Connecticut, Department of Housing				
Continuum of Care Program				
Continuum of Care Program	14.267	21DOH1001AX	-	359,304
Total U.S. Department of Housing and Urban Development			-	359,304
U.S. Department of Commerce				
Passed through State of Connecticut, Department of Administrative				
Services				
State Digital Equity Planning and Capacity Grant	11.032	25DAS0009AA	-	41,850
Total U.S. Department of Commerce			-	41,850
Total expenditures of federal awards			\$ -	\$ 6,973,919

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, 2025**

**Note 1 - Basis of presentation**

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, 2025. All expenditures incurred under federally sponsored agreements are recognized and recorded on an accrual 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. United Way of Connecticut, Inc. and Subsidiary has elected to not use the de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented when available.

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025**

**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 federal 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 federal programs

Federal Assistance

Listing Number(s)

Name of Federal Program or Cluster

93.243

Substance Abuse and Mental Health Services Projects of Regional and National Significance

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 reported.

**III. Federal Awards Findings**

None reported.



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