



LONDON & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

AND BUSINESS CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
InformCT, Inc.
10 Constitution Plaza
Hartford, Connecticut 06103

Opinion

We have audited the accompanying financial statements of InformCT, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of InformCT, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of InformCT, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management's for the Financial Statements

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

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

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Respectfully submitted,

London & Company, LLC

London & Company, LLC
Certified Public Accountants
September 8, 2023

We present the following reports as of December 31, 2022:

- Exhibit A - Comparative Statement of Financial Position as of December 31, 2022 and December 31, 2021.

- Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2022 with Comparative Totals for the Year Ended December 31, 2021.

- Exhibit C - Statement of Functional Expenses for the Year Ended December 31, 2022 with Comparative Totals for the Year Ended December 31, 2021.

- Exhibit D - Comparative Statement of Cash Flows for the Year Ended December 31, 2022 and December 31, 2021.

Notes to Financial Statements.

INFORMCT, INC.
HARTFORD, CONNECTICUT
COMPARATIVE STATEMENT OF FINANCIAL POSITION

ASSETS

	December 31,	
	<u>2022</u>	<u>2021</u>
<u>Current Assets:</u>		
Cash	\$ 334,134	\$ 347,253
Cash - Board Designated	225,000	225,000
Grant and contract receivable	316,638	173,650
Prepaid expenses	<u>11,439</u>	<u>1,361</u>
Total Current Assets	887,211	747,264
Property and Equipment (net)	<u>10,096</u>	<u>8,025</u>
<u>TOTAL ASSETS</u>	\$ <u>897,307</u>	\$ <u>755,289</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 33,150	\$ 41,753
Accrued payroll	19,683	10,952
Accrued payroll liabilities	<u>6,570</u>	<u>979</u>
Total Current Liabilities	<u>59,403</u>	<u>53,684</u>
<u>Net Assets:</u>		
Without donor restrictions	427,153	412,770
Without donor restrictions - Board Designated	225,000	225,000
With donor restrictions	<u>185,751</u>	<u>63,835</u>
Total Net Assets	<u>837,904</u>	<u>701,605</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ <u>897,307</u>	\$ <u>755,289</u>

See Accompanying Notes

INFORMCT, INC.
HARTFORD, CONNECTICUT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
<u>Revenue and Other Support:</u>				
Grant and contract income	\$ 994,038	\$ 195,000	\$ 1,189,038	\$ 891,733
Other income	5,179	-	5,179	2,450
Net assets released from restrictions	<u>73,084</u>	<u>(73,084)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Other Support</u>	<u>1,072,301</u>	<u>121,916</u>	<u>1,194,217</u>	<u>894,183</u>
<u>Expenses:</u>				
Program services	983,926	-	983,926	693,563
Management and general	<u>73,992</u>	<u>-</u>	<u>73,992</u>	<u>68,283</u>
<u>Total Expenses</u>	<u>1,057,918</u>	<u>-</u>	<u>1,057,918</u>	<u>761,846</u>
Changes in Net Assets	14,383	121,916	136,299	132,337
<u>Net Assets - Beginning</u>	<u>637,770</u>	<u>63,835</u>	<u>701,605</u>	<u>569,268</u>
<u>Net Assets - Ending</u>	\$ <u><u>652,153</u></u>	\$ <u><u>185,751</u></u>	\$ <u><u>837,904</u></u>	\$ <u><u>701,605</u></u>

See Accompanying Notes

INFORMCT, INC.
HARTFORD, CONNECTICUT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2022</u>	<u>2021</u>
<u>Program Services</u>		
Salaries	\$ 643,806	\$ 368,680
Employee benefits	106,055	91,669
Payroll taxes	53,210	29,976
Total Salaries and Related Expenses	<u>803,071</u>	<u>490,325</u>
Other professional fees	130,577	166,940
Parking, travel and meals	6,314	373
Marketing & events	2,364	606
Miscellaneous and bank fees	3,755	2,768
Staff development	1,547	15,383
Office supplies	31,597	11,314
Equipment	-	1,916
Telecommunications	1,728	1,847
Depreciation	2,973	2,091
Total Program Services	<u>983,926</u>	<u>693,563</u>
<u>Management and General</u>		
Management fees	30,852	18,500
Trinity College personnel support	24,256	17,392
Professional fees	10,787	25,786
Insurance	8,097	6,605
Total Management and General	<u>73,992</u>	<u>68,283</u>
Total Expenses	<u>\$ 1,057,918</u>	<u>\$ 761,846</u>

INFORMCT, INC.
HARTFORD, CONNECTICUT
COMPARATIVE STATEMENT OF CASH FLOWS
 Increase (Decrease) in Cash

	For the Years Ended <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ <u>136,299</u>	\$ <u>132,337</u>
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities:		
Depreciation	2,973	2,091
Changes in Assets and Liabilities		
Increase Decrease in Assets and Liabilities:		
Grants and contracts receivable	(142,988)	(160,650)
Prepaid expenses	(10,078)	3,634
Accounts payable	(8,603)	35,443
Accrued payroll	8,731	(4,622)
Accrued payroll liabilities	<u>5,591</u>	<u>(4,445)</u>
Total Adjustments	<u>(144,374)</u>	<u>(128,549)</u>
Net Cash Provided by (Used In) Operating Activities	(8,075)	3,788
<u>Cash Flows Used In Investing Activities:</u>		
Purchase of equipment	(5,044)	(2,880)
<u>Net Increase (Decrease) in Cash</u>	(13,119)	908
<u>Cash at the Beginning of Year</u>	<u>572,253</u>	<u>571,345</u>
<u>Cash at End of Year</u>	\$ <u>559,134</u>	\$ <u>572,253</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<u>Reconciliation of Cash:</u>		
Cash	\$ 334,134	\$ 347,253
Cash - Board Designated	<u>225,000</u>	<u>225,000</u>
Total Cash	\$ <u>559,134</u>	\$ <u>572,253</u>

See Accompanying Notes

INFORMCT, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Organization:

InformCT, Inc. (the "Organization") is a Connecticut not-for-profit organization. The Organization is a public-private partnership with a mission to connect data and people to promote informed decision-making and to advance equity in Connecticut. Through its Connecticut Data Collaborative, InformCT provides access to and use of accurate, transparent, open and share data for improved policy and decision-making. Another core focus includes building the data capacity and skills of the non-profit sector through workshops, CTData Strategic Planning, and a community of practice. In addition, the Connecticut Data Collaborative is building local integrated data systems.

Note 2 - Accounting Policies:

A. Tax Status:

The Organization is a not-for-profit exempt from federal income taxation under Section 501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service classifies the Organization as a non-private foundation. There was no unrelated business income for the year ended December 31, 2022. The information returns are subject to examination by the Internal Revenue Service for three years after they were filed.

B. Basis of Accounting and Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization, and changes therein, are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure. Net Assets with donor restrictions at December 31, 2022 and 2021 were \$185,751 and \$63,835 respectively.

C. Recognition of Restricted Grant Revenues:

Revenues restricted by the donor, grantor, or any other outside party for particular operating purposes are deemed to be earned and reported as revenues currently.

INFORMCT, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 - Accounting Policies (Continued):

D. Use of Estimates:

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

E. Cash and Cash Equivalents:

The Organization holds all its cash in accounts that are subject to immediate withdrawal. During the period covered by these financial statements, the Organization has not invested in financial instruments classified as cash equivalents with maturities of less than 90 days.

F. Allocation of Functional Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

G. Property and Equipment:

Property and equipment are recorded at cost or at estimated fair value at the date of the donation. Donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Expenditures for additions and improvements are capitalized, and costs for repairs and maintenance are charged to expense as incurred. The Organization capitalizes all expenditures for equipment in excess of \$1,000. Depreciation is provided using the straight-line method over five and seven years.

Note 3 - Concentration of Support:

The Organization received approximately 29% and 47% of its total support from the State of Connecticut for the years ended December 31, 2022 and 2021, respectively.

Note 4 - Retirement Plan:

The Organization established a 403(b) retirement plan. Eligible participants include full-time and part-time employees who have completed employment requirements. For the year ended December 31, 2022 and 2021, the Organization contributed \$15,301 and \$15,166, respectively to qualified employees based on a percentage of the respective employee's annual compensation.

INFORMCT, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 5- Commitment:

In September 2018, CT Data Collaborative, a project of InformCT, entered into a memorandum of understanding with the Trustees of Trinity College under which InformCT will lease space from the Trustees and assist with costs associated with an administrative assistant assigned to that space at a total cost of \$19,050 per year in lieu of rent. In addition, InformCT agrees to pay half of Trinity College's cost of living wage increase beginning in year two for this employee. Total expenses incurred by InformCT Inc. as of December 31, 2022 and 2021 under this memorandum were \$24,256 and \$17,392, respectively.

Note 6 - Property and Equipment

Property and equipment as of December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 18,262	\$ 13,218
Less: Accumulated depreciation	<u>8,166</u>	<u>5,193</u>
Net Property and Equipment	<u>\$ 10,096</u>	<u>\$ 8,025</u>

For the year ended December 31, 2022 and 2021, depreciation was recorded in the amount of \$2,973 and \$2,091, respectively.

Note 7 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through September 8, 2023, the date which the financial statements were available to be issued.

Note 8 - Concentration of Credit Risk/Subsequent Event:

The Organization maintains cash balances in excess of \$250,000 at a bank, which is insured by the Federal Deposit Insurance Corporation for amounts up to \$250,000. At December 31, 2022 and 2021, the Organization's uninsured cash balance was \$55,145 and \$70,169, respectively.

Note 9 - Board Designated Net Assets Without Donor Restrictions:

The Board of Directors of the Organization has deemed it prudent operating policy to maintain a "reserve", representing a minimum level of funds required to continue current core operations for approximately a six-month period and repairs and replacements of property and equipment. Consequently, the operating reserve is designed to provide cash flows to cover program costs and grant obligations. As of December 31, 2022 and 2021, the designated reserves totaled \$225,000.

INFORMCT, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 10 - Liquidity and Availability of Financial Assets:

The Organization is funded by grants and contracts from donors that contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditures within one year. As of December 31, 2022, the Organization has approximately \$875,772 of financial assets available within one year to meet cash needs for general expenditures, consisting of cash of \$559,134, and grants receivable of \$316,638. \$185,751 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities and other obligations become due.

Note 11 - Method Used For Allocation of Expenses:

The Organization's general approach to cost allocations is as follows: allowable direct costs are charged directly to programs, grants, activity, etc. Costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the cost being prorated. All other costs (i.e. general and administrative) are allocated using a base that results in an equitable distribution.