

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

- I. Financial Statements**
- II. Reports in Accordance with
*Government Auditing Standards***
- III. Reports in Accordance with
State Single Audit Act**

June 30, 2023



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

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I. FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Connecticut Legal Rights Project, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Connecticut Legal Rights Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Legal Rights Project, Inc. as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Connecticut Legal Rights Project, 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 Connecticut Legal Rights Project, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by the State Single Audit Act, is presented for purposes of additional analysis, and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of Connecticut Legal Rights Project, Inc.'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 Connecticut Legal Rights Project, Inc.'s internal control over financial reporting on compliance. That report is an integral part of audit performed in accordance with *Government Auditing Standards* in considering the Connecticut Legal Rights Project, Inc.'s control over financial reporting and compliance.

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

Hartford, Connecticut
October 19, 2023

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Statement of Financial Position

June 30, 2023

Assets

Cash and cash equivalents	\$ 1,068,546
Marketable securities	253,123
Assets held by others	264,629
Prepaid expenses	24,610
Property and equipment, net	9,163
Total assets	<u>\$ 1,620,071</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 110,899
Deferred revenue	50,000
Total liabilities	<u>160,899</u>

Net Assets

Without donor restrictions	<u>1,459,172</u>
Total liabilities and net assets	<u>\$ 1,620,071</u>

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

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Statement of Functional Expenses

For the year ended June 30, 2023

	Program Services			Management and		Total
	General Advocacy	Housing Support Advocacy	Total	General	Fundraising	
Salaries	\$ 856,265	\$ 68,467	\$ 924,732	\$ 212,401	\$ 26,826	\$ 1,163,959
Payroll taxes and benefits	224,793	17,983	242,776	55,490	7,003	305,269
Computers/IT	58,124	-	58,124	-	-	58,124
Consultants	24,750	-	24,750	-	-	24,750
Litigation	22,281	-	22,281	-	-	22,281
Audit	-	-	-	20,950	-	20,950
Insurance	-	-	-	20,182	-	20,182
Temporary services	16,951	-	16,951	-	-	16,951
Library	13,052	-	13,052	-	-	13,052
Conferences	6,348	-	6,348	-	-	6,348
Telephone	5,041	-	5,041	-	-	5,041
Attorney tax	4,480	-	4,480	-	-	4,480
Dues	3,870	-	3,870	-	-	3,870
Payroll service	-	-	-	3,300	-	3,300
Lobbying	3,161	-	3,161	-	-	3,161
Travel	3,139	-	3,139	-	-	3,139
CID Advocacy	2,497	-	2,497	-	-	2,497
Pension plan admin fees	-	-	-	1,432	-	1,432
Fees	935	-	935	-	-	935
Office supplies	-	-	-	352	-	352
Fundraising	-	-	-	-	-	-
Postage	-	-	-	134	-	134
Printing	20	-	20	-	-	20
Depreciation	4,229	338	4,567	1,182	-	5,749
In-kind	131,823	10,541	142,364	36,828	-	179,192
Total expenses	<u>\$ 1,381,759</u>	<u>\$ 97,329</u>	<u>\$ 1,479,088</u>	<u>\$ 352,251</u>	<u>\$ 33,829</u>	<u>\$ 1,865,168</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Statement of Cash Flows

For the year ended June 30, 2023

Cash flows from operating activities:	
Change in net assets	\$ 850,376
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	5,749
Realized and unrealized gains on investments	(16,314)
Changes in assets and liabilities	
Prepaid expenses	(7,818)
Promise to give	43,634
Accounts payable and accrued expenses	(10,451)
Deferred revenue	50,000
Net change in cash from operating activities	<u>915,176</u>
Cash flows from investing activities:	
Purchase of marketable securities	(702,272)
Proceeds from sales of marketable securities	<u>200,834</u>
Net change in cash from investing activities	<u>(501,438)</u>
Net change in cash and cash equivalents	413,738
Cash and cash equivalents, beginning of year	<u>654,808</u>
Cash and cash equivalents, end of year	<u>\$ 1,068,546</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Notes to Financial Statements

June 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Connecticut Legal Rights Project, Inc. (“CLRP”) is a not-for-profit corporation organized under the laws of the State of Connecticut. CLRP provides legal assistance, counsel and representation to adults receiving, or eligible for, services from the Connecticut Department of Mental Health and Addiction Services in either inpatient or community settings. CLRP is supported primarily by the State of Connecticut Department of Mental Health and Addiction Services (“DMHAS”), the Connecticut Bar Foundation’s (“CBF”) Interest on Lawyers’ Trust Accounts Program (“IOLTA”), Court Fees Grant-in-Aid (“CFGIA”) and Judicial Branch Grant-in-Aid (“JBGIA”).

Basis of 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.

CLRP complies with the *Financial Statements of Not-for-Profit Organizations* topic of the FASB Codification. Under this topic, CLRP is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions – These net assets are defined as assets that are free of donor-imposed restrictions.

Net assets with donor restrictions – These net assets include contributions, unconditional promises to give and other inflows of assets whose use by CLRP is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of CLRP. CLRP had no net assets with donor restrictions at June 30, 2023.

Cash Equivalents – Cash equivalents include all highly liquid investments with an original maturity of three months or less.

Deposits with Financial Institutions - The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository which has its main place of business in the State of Connecticut. CLRP at times maintains cash balances in excess of the FDIC insurance limits.

Marketable Securities – In accordance with “*Accounting for Certain Investments Held by Not-for-Profit Organizations*”, investments in marketable securities are reflected at fair value. Realized gains or losses and unrealized appreciation or depreciation are reflected in the accompanying statement of activities.

Fair Values – CLRP follows the requirements of, *Fair Value Measurements and Disclosures* topic of the FASB (“ASC 820”). ASC 820 defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. Fair value is defined as the exchange price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These levels are:

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 - inputs are based upon quoted prices, other than those included in Level 1, that are either directly or indirectly observable for the assets or liabilities, including inputs in markets that are not considered to be active and investments in third party investment funds which may permit redemption at net asset value at the measurement date.

Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

The following is a description of the valuation methodologies used for assets measured at fair value:

Fixed income – short term investments are valued using observable quoted prices for identical assets in active markets. These are valued using Level 1 inputs.

Community Foundation of Greater New Haven (“CFGNH”) – CFGNH’s pooled investment funds are measured using the net asset value (“NAV”) of shares as a practical expedient to fair value. There are no unfunded commitments or restrictions on redemptions for funds held with CFGNH.

Property and Equipment – Property and equipment acquisitions and substantial improvements thereon that individually exceed \$500 and have an estimated useful life exceeding one year are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Repairs and maintenance are charged to expense as incurred. Management reviews property and equipment annually or whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable.

Impairment of Long-Lived Assets – Accounting principles generally accepted in the United States of America requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived asset is measured by a comparison of the carrying amount of the assets to future undiscounted cash flows generated by the assets. No impairment losses have been recorded to date.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Donated Items – CLRP reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, CLRP reports expirations of donor restrictions in full when the donated or acquired long-lived assets are placed in service. There were no donated assets during the year ended June 30, 2023.

CLRP recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. CLRP has recognized amounts for rent, office supplies, and other costs, provided by the State of Connecticut, within its financial statements.

Accrued Annual Leave – CLRP employees may accumulate up to 1.67 days per month of leave time and are entitled to payment of any unused time up to four weeks upon separation from employment.

Grants – CLRP receives various grant funding from the State of Connecticut to provide funding to carry out a variety of program services based on specific requirements and consistent with the agreed upon budget in the agreement. Grants are a nonreciprocal transaction and include conditions stipulated by the contracts and are accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received on government grants and contracts prior to incurring allowable expenses are recorded as refundable advances.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported increases in net assets with 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 to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Functional Expenses – CLRP allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classification. All other expenses are allocated based on estimates of time and effort, and other allocation metrics, depending on the nature of the expense.

Use of Estimates - The preparation of 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.

Income Taxes - CLRP is exempt from Federal and State taxes under Section 501(c)(3) of the Internal Revenue Code.

Subsequent Events - In preparing these financial statements, management has evaluated subsequent events through October 19, 2023, which represents the date the financial statements were available to be issued.

NOTE 2– AVAILABILITY AND LIQUIDITY OF RESOURCES

CLRP’s primary sources of support are derived from grants, contracts and contributions. Financial assets in excess of daily cash requirements are invested in money market funds and other securities.

The following table reflects CLRP’s financial assets as of June 30, 2023, reduced my amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 1,068,546
Marketable securities	<u>253,123</u>
Financial assets available to meet cash needs for General expenditures within twelve months	<u><u>\$ 1,323,692</u></u>

NOTE 3 – MARKETABLE SECURITIES

CLRP’s marketable securities balance consisted of the following at June 30, 2023,:

Short-term investments	\$ 21,113
Fixed income	<u>232,009</u>
Total marketable securities	<u><u>\$ 253,122</u></u>

All marketable securities are classified as Level 1.

NOTE 4 – ASSETS HELD BY OTHERS

CLRP maintains an agency fund held by The Community Foundation for Greater New Haven, Inc. (the Community Foundation). The agency fund agreement provides that CLRP receive annual distributions from the fund, as determined by the Community Foundation’s Spending Rule Policy. CLRP may direct the Community Foundation to disburse an amount greater than that which would be generated by the distribution, however such amounts are subject to a 60-day notice period. CLRP has the ability to access the principal balance of the fund, subject to a 60-day notice period. CLRP reports the fair value of the Fund as Assets Held by Others at the Community Foundation in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Changes in the Fund for the year ended June 30, 2023 are as follows:

Balance at July 1, 2022	\$ -
Amounts invested in fund	250,000
Investment return (net of fees)	14,629
Distribution received	<u>-</u>
Balance at June 30, 2023	<u><u>\$ 264,629</u></u>

NOTE 5 – PROPERTY AND EQUIPMENT, NET

A summary of property and equipment is as follows as of June 30,:

Computer equipment	\$	33,180
Computer software		40,423
Office equipment		2,333
		<hr/>
		75,936
Less: accumulated depreciation		(66,773)
		<hr/>
	\$	<u>9,163</u>

NOTE 6 – PRINCIPAL FUNDING SOURCES

Connecticut Bar Foundation – CLRP has received direct funding from the Connecticut Bar Foundation (“CBF”) from its Interest on Lawyers Trust Account (“IOLTA”) program, as well as pass through funding through the CBF from the State of Connecticut Judicial Branch under its Judicial Grants-In-Aid (“JBGIA”) and Court Fees Grants-In-Aid programs (“CFGIA”). The CFGIA program resulted from the Connecticut State Legislature increasing court filing fees and directing those funds to be distributed through the CBF to non-profit legal service providers.

The IOLTA program supports general operations of CLRP. Revenue for the year ended June 30, 2023 of \$114,062 was based on costs charged to awards encompassing the periods January 1, 2022 through December 31, 2022 and January 1, 2023 through December 31, 2023.

The JBGIA and CFGIA funds are also for the general operations of CLRP. Revenue was recognized of \$71,994 and \$431,936 for the year ended June 30, 2023, from awards covering the periods January 1, 2022 through December 31, 2022 and January 1, 2023 through December 31, 2023.

State of Connecticut Department of Mental Health and Addiction Services (“DMHAS”) –CLRP has received funding from DMHAS to provide consent services to indigent patients at state-operated treatment facilities throughout Connecticut. DMHAS funding for inpatient services are provided pursuant to a consent order issued in 1989 which mandated state payments to support a legal assistance program. These legal services encompass the areas of admissions, treatment, environmental conditions, discharge, and other hospital-related rights under state of federal policies and law. For the year ended June 30, 2023, CLRP recognized revenue of \$774,158 based on expenses charged to the program, as well as an additional amount of \$179,192 based upon in-kind contributions provided to CLRP by the State for operating the program.

Additional revenue of \$106,773 was also recognized by CLRP under DMHAS’s Community Grant program for the year ended June 30, 2023.

NOTE 7 – IN-KIND CONTRIBUTIONS

CLRP occupies office space under a consent decree with DMHAS. The consent decree contains provisions that provide CLRP with office space, office supplies, utilities, janitorial services and the use of furniture as an in-kind contribution for a period as long as CLRP is located in a DMHAS facility. Facility costs include occupancy, utilities, and janitorial and office supplies and are valued at estimated fair value based on current rates compared to those in the surrounding area. In-kind contributions consisted of the following for the year ended June 30, 2023:

Occupancy	\$ 116,999
Utilities	50,000
Janitorial services	6,300
Office supplies	5,893
Total	<u>\$ 179,192</u>

These non-cash contributions and services have been reported in the statement of activities as both support and expenses for the year ended June 30, 2023.

NOTE 8 – EMPLOYEE BENEFIT PLAN

CLRP maintains a tax-sheltered annuity plan that is available to all employees who work at least 20 hours per week as defined in the plan. Employees can make contributions up to \$19,500 per calendar year with an additional \$6,500 catch up for employees over 50 years of age. For the year ended June 30, 2023, CLRP made \$81,698 in contributions.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

CLRP receives a significant part of its support from grants, contracts and contributions received from State of Connecticut agencies and not-for-profit foundations. Support above and beyond that mandated for inpatient clients under the consent order could be subject to reduction or termination in future years. Any significant reduction in these revenues could have a negative impact on CLRP's program services.

CLRP has received funding from the State of Connecticut as well as private foundations and agencies, and has charged costs to each of these sources. The final determination of the allowability of these costs rests with the funding sources, although CLRP management believes that any disallowances would be immaterial to its operations.

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Connecticut Legal Rights Project, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Connecticut Legal Rights Project, Inc. ("CLRP") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CLRP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CLRP's internal control. Accordingly, we do not express an opinion on the effectiveness of CLRP'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CLRP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Hartford, Connecticut
October 19, 2023

**III. REPORTS IN ACCORDANCE WITH
STATE SINGLE AUDIT ACT**

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

To the Board of Directors
Connecticut Legal Rights Project, Inc.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

In our opinion, CLRP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CLRP 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 CLRP'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 CLRP's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CLRP's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CLRP'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 CLRP'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 CLRP'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 CLRP's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Whittlesey PC

Hartford, Connecticut
October 19, 2023

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2023

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed-Through to Subrecipients	Expenditures
Connecticut Department of Mental Health and Addiction Service (DMHAS)			
Consent Advocacy	*	\$ -	\$ 953,350
Community Advocacy	*	-	106,773
Total DMHAS Expenditures		-	1,060,123
Judicial Branch			
Passed through from the Connecticut Bar Foundation			
Court Fees Grant-In-Aid	11000-JUD95162-40001-089	-	431,936
Judicial Branch Grant-In-Aid	11000-JUD95162-12516-090	-	71,994
Total Judicial Branch Expenditures		-	503,930
Total State Financial Assistance		\$ -	\$ 1,564,053

* There is no CORE-CT Number associated with these programs.

See accompanying notes to the Schedule of Expenditures of State Financial Assistance

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Notes to Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of Connecticut Legal Rights Project, Inc. (“CLRP”) under programs of the State of Connecticut for the fiscal year ended June 30, 2023. The State of Connecticut, including its Department of Mental Health and Addiction Service and the Judicial Branch provide assistance to CLRP 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 CLRP, it is not intended and does not present the financial position changes in net assets, or cash flows of CLRP.

The accounting policies of CLRP conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

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

NOTE 2 – IN-KIND – DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES (DMHAS)

Included in the schedule of expenditures of state financial assistance for the DMHAS Consent Advocacy program is \$179,192 representing in-kind contributions provided and valued by DMHAS, and recognized in CLRP’s financial statements, for occupancy costs (\$50,000), utilities (\$116,999), janitorial services (\$6,300) and office supplies (\$5,893).

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

Schedule of Findings and Questioned Costs

For the year ended June 30, 2023

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' opinion issued:

Unmodified

Internal control over financial reporting:

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

State Financial Assistance

Internal control over the major program:

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

Type of auditor's opinion issued on compliance for the major program:

Unmodified

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

_____ yes X no

- The following schedule reflects the major program included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Mental Health and Addiction Services		
Consent Advocacy	*	\$ 953,350
Community Advocacy	*	106,773
Dollar threshold used to distinguish between Type A and Type B Programs		\$ 200,000

* There is no CORE-CT Number associated with these programs.

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

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