

COVENANT TO CARE FOR CHILDREN, INC.

**REPORT ON AUDIT
JUNE 30, 2019 AND 2018**



Kircaldie, Randall & McNab LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Covenant to Care for Children, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Covenant to Care for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Covenant to Care for Children, Inc. as of June 30, 2019 and 2018, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2020 on our consideration of Covenant to Care for Children, 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 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 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 Covenant to Care for Children, Inc.'s internal control over financial reporting and compliance.

Kristine Randall, CPA, MCITP, CICA

Wethersfield, Connecticut
January 14, 2020

COVENANT TO CARE FOR CHILDREN, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 97,780	\$ 134,020
Grants receivable	6,860	6,500
Prepaid expenses	4,159	4,113
Inventory	556	3,745
Total Current Assets	<u>109,355</u>	<u>148,378</u>
Other Assets:		
Fixed assets, net	31,217	47,218
Security deposits	3,005	3,005
Total Other Assets	<u>34,222</u>	<u>50,223</u>
Total Assets	<u><u>143,577</u></u>	<u><u>198,601</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	7,322	5,542
Accrued payroll	7,906	14,824
Accrued vacation	6,367	6,150
Accrued interest	0	142
Loan obligation	0	42,914
Total Current Liabilities	<u>21,595</u>	<u>69,572</u>
Net Assets:		
Without Donor Restrictions	44,826	16,265
With Donor Restrictions	77,156	112,764
Total Net Assets	<u>121,982</u>	<u>129,029</u>
Total Liabilities and Net Assets	<u><u>\$ 143,577</u></u>	<u><u>\$ 198,601</u></u>

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

COVENANT TO CARE FOR CHILDREN, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Donated goods and services	\$ 305,197	\$ 0	\$ 305,197	\$ 329,484	\$ 0	\$ 329,484
Government grants	256,687	0	256,687	255,089	0	255,089
Foundations	21,750	79,560	101,310	19,900	76,523	96,423
Individuals	23,831	0	23,831	32,685	0	32,685
Corporations	14,883	0	14,883	20,345	0	20,345
Religious community	11,276	0	11,276	12,153	0	12,153
Support for food pantry	6,300	0	6,300	5,951	0	5,951
Special projects	1,788	0	1,788	885	0	885
Events	1,708	0	1,708	4,028	0	4,028
United Way	280	0	280	779	0	779
Miscellaneous	141	0	141	1,342	0	1,342
Interest and dividend income				911	0	911
Net assets released from restriction:						
Satisfaction of program restrictions	115,168	(115,168)	0	66,414	(66,414)	0
Total Support and Revenue	760,663	(35,608)	725,055	749,966	10,109	760,075
Expenses:						
Program services	684,567	0	684,567	704,890	0	704,890
Management and general	31,053	0	31,053	29,623	0	29,623
Fundraising	16,482	0	16,482	13,299	0	13,299
Total Expenses	732,102	0	732,102	747,812	0	747,812
Change in Net Assets	28,561	(35,608)	(7,047)	2,154	10,109	12,263
Net Assets, Beginning of Year	16,265	112,764	129,029	14,111	102,655	116,766
Net Assets, End of Year	\$ 44,826	\$ 77,156	\$ 121,982	\$ 16,265	\$ 112,764	\$ 129,029

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

COVENANT TO CARE FOR CHILDREN, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,**

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses:								
Payroll	\$ 176,339	\$ 13,983	\$ 7,799	\$ 198,121	\$ 194,355	\$ 13,900	\$ 6,425	\$ 214,680
Payroll taxes	17,401	1,380	769	19,550	19,160	1,370	634	21,164
Employee benefits	11,063	853	569	12,485	11,109	850	567	12,526
Total Salaries and Related Expenses	<u>204,803</u>	<u>16,216</u>	<u>9,137</u>	<u>230,156</u>	<u>224,624</u>	<u>16,120</u>	<u>7,626</u>	<u>248,370</u>
Direct Assistance:								
Clothing and donated goods	305,197	0	0	305,197	329,484	0	0	329,484
Food pantry	6,576	0	0	6,576	7,322	0	0	7,322
Total Direct Assistance	<u>311,773</u>	<u>0</u>	<u>0</u>	<u>311,773</u>	<u>336,806</u>	<u>0</u>	<u>0</u>	<u>336,806</u>
Operating Expenses:								
Foundation expenditures	49,279	0	0	49,279	34,870	0	0	34,870
Rents	26,922	3,846	0	30,768	26,660	3,808	0	30,468
Professional fees	24,932	3,562	0	28,494	11,552	1,650	0	13,202
Insurance	19,052	2,722	0	21,774	23,545	3,364	0	26,909
Depreciation	17,240	1,567	0	18,807	17,197	1,563	0	18,760
Travel	7,087	644	0	7,731	4,694	427	0	5,121
Dues and subscriptions	6,695	609	0	7,304	6,174	561	0	6,735
Printing / copying	322	46	6,084	6,452	278	40	4,750	5,068
Telephone	5,194	472	0	5,666	5,435	494	0	5,929
Utilities	2,495	357	0	2,852	2,219	317	0	2,536
Remote access	2,439	222	0	2,661	2,607	237	0	2,844
Postage	666	95	1,261	2,022	1,295	185	923	2,403
Office supply and expense	2,040	292	0	2,332	2,011	287	0	2,298
Interest	1,352	123	0	1,475	1,711	155	0	1,866
Payroll service	1,050	149	0	1,199	1,137	162	0	1,299
Equipment rental	842	77	0	919	826	75	0	901
Training and meetings	263	37	0	300	113	16	0	129
Miscellaneous	121	17	0	138	1,136	162	0	1,298
Total Operating Expenses	<u>167,991</u>	<u>14,837</u>	<u>7,345</u>	<u>190,173</u>	<u>143,460</u>	<u>13,503</u>	<u>5,673</u>	<u>162,636</u>
Total Expenses	<u>\$ 684,567</u>	<u>\$ 31,053</u>	<u>\$ 16,482</u>	<u>\$ 732,102</u>	<u>\$ 704,890</u>	<u>\$ 29,623</u>	<u>\$ 13,299</u>	<u>\$ 747,812</u>

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

COVENANT TO CARE FOR CHILDREN, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ (7,047)	\$ 12,263
Adjustments to reconcile increase (decrease) in net assets to net cash flows from operating activities:		
Depreciation	18,807	18,760
(Increase) Decrease in operating assets:		
Grants receivable	(360)	5,200
Prepaid expenses	(46)	1,853
Inventory	3,189	(3,745)
Increase (Decrease) in operating liabilities:		
Accounts payable	1,780	(4,752)
Accrued expenses	(6,843)	4,592
Net Cash Provided (Used) By Operating Activities	<u>9,480</u>	<u>34,171</u>
Cash Flows From Investing Activities:		
Purchases of fixed assets	<u>(2,806)</u>	<u>0</u>
Net Cash Provided (Used) By Investing Activities	<u>(2,806)</u>	<u>0</u>
Cash Flows From Financing Activities:		
Payments on line of credit	<u>(42,914)</u>	<u>(6,000)</u>
Net Cash Provided (Used) By Financing Activities	<u>(42,914)</u>	<u>(6,000)</u>
Increase (Decrease) In Cash And Equivalents	(36,240)	28,171
Cash And Cash Equivalents, Beginning	<u>134,020</u>	<u>105,849</u>
Cash And Cash Equivalents, Ending	<u>\$ 97,780</u>	<u>\$ 134,020</u>
Supplemental Disclosures:		
Donated goods and services received	\$ 305,197	\$ 329,484
Interest paid	\$ 1,617	\$ 1,884

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

COVENANT TO CARE FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies:

Nature of Activities:

Covenant to Care for Children, Inc., (hereinafter the "Organization") is a nonprofit Connecticut corporation established to connect social workers and other professionals with faith and/or community based organizations throughout Connecticut, in order to provide programs, goods and services to abused, neglected and impoverished children and to the families working to provide them with safe, nurturing environments. Its goal is that children have the opportunity to become healthy and productive adults through recreational, educational and social activities, foster parent recruitment and support, and child welfare awareness.

Basis of Accounting and Financial Statement Presentation:

The 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 accrual basis of accounting recognizes support and revenue when earned rather than when received and expenses when incurred rather than when paid.

The organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Recent Accounting Pronouncements:

Not-for-Profit Financial Statement Presentation:

During its most recent fiscal year, the Organization adopted ASU No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018 follows:

COVENANT TO CARE FOR CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 1 - Organization and Summary of Significant Accounting Policies (cont.):

<u>Net Assets Classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total Net Assets</u>
As previously presented:			
Unrestricted	\$ 16,265	0	16,265
Temporarily Restricted	0	112,764	112,764
Net assets as previously presented	16,265	112,764	129,029
Reclassifications to implement ASU 2016-14:			
With Donor Restrictions	0	0	0
Net assets, as reclassified	<u>\$ 16,265</u>	<u>112,764</u>	<u>129,029</u>

Cash and Cash Equivalents:

All cash instruments with a maturity date of three months or less are considered as cash equivalents. During the year the amount of cash in excess of F.D.I.C. insured limits varies as cash requirements fluctuate. At June 30, 2019 and 2018, there were no uninsured balances.

Concentrations of Risk:

The Organization receives significant amounts of funding from the State of Connecticut. \$256,687 and \$255,089 was received for the years ended June 30, 2019 and 2018. Lack of such support would have a material effect on the financial statements and would impact the Organization's ability to continue as a going concern.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The Organization is a publicly supported organization. There was no unrelated business income for the years ended June 30, 2019 and 2018.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of support, revenue, and expenses during the reporting period. Actual results may differ from those estimates.

COVENANT TO CARE FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies (cont.):

Contributed Services:

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization benefits from more than 20,000 volunteer hours per year.

Donated Goods:

Donated goods consisting of food, clothing, and other donated items are valued according to Goodwill thrift shop valuation guides. Donated goods are used for activities as described in the Organization's nature of activities. The value of donated goods received for the years ended June 30, 2019 and 2018 were \$305,197 and \$329,484, respectively.

Inventory:

Inventory consists of goods purchased with grant proceeds which are intended for distribution to needy children. They are valued at cost.

Functional Allocation of Expenses:

The cost of providing various programs and supporting activities have been summarized on a functional basis in the statement of activities. Program and activity costs specifically identifiable to them have been allocated based on costs by function and natural classification. Also, those costs more specifically related to supporting services (including fund raising) have been allocated accordingly. Other costs, which benefit camp programs as well as supporting services, have been allocated based on their relative benefit to specific cost centers.

Financial Assets and Liquidity Resources:

The Organization's cash flows have seasonal variations during the year attributable to government grants and donations from various donors. To manage liquidity, the Organization maintains a cash equivalent investment fund which it can draw upon.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

COVENANT TO CARE FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies (cont.):

<u>June 30</u>	<u>2019</u>
Cash and cash equivalents	\$ 97,780
Grants receivable	6,860
	<hr/>
Total financial assets available within one year:	104,640
Less,	
Donor restricted net assets	<hr/> (77,156)
Total financial assets available within one year after donor restrictions:	<hr/> <u>\$ 27,484</u>

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 2 - Grants Receivable:

Grants receivable consists of grants unconditionally pledged to the Organization.

Note 3 - Fixed Assets:

It is the Organization's policy to capitalize material amounts of office equipment. Lesser amounts are expensed. Purchased office equipment is capitalized at cost. Donations of office equipment are recorded at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is calculated using the straight-line method over the estimated life of the asset. Leasehold improvements are capitalized and depreciated over the life of the lease using the straight-line method.

The following is a summary of fixed assets, accumulated depreciation, and depreciation expenses charged to operations for the fiscal years ended June 30:

COVENANT TO CARE FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3 - Fixed Assets (cont.):

	2019			2018		
	Basis	Accum. Deprec.	Deprec. Exp.	Basis	Accum. Deprec.	Deprec. Exp.
Office equipment	\$ 15,166	\$ 11,593	\$ 3,059	\$ 19,639	\$ 15,813	\$ 3,012
Leasehold	39,046	20,174	3,905	39,046	16,269	3,905
Delivery trucks	61,851	53,079	11,843	61,851	41,236	11,843
	<u>\$ 116,063</u>	<u>\$ 84,846</u>	<u>\$ 18,807</u>	<u>\$ 120,536</u>	<u>\$ 73,318</u>	<u>\$ 18,760</u>

Note 4— Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of funds designated by donors for specific expenses. The following is a summary of net assets with donor restrictions at June 30:

	2019	2018
Food Pantry - AHCC	\$ 13,346	\$ 10,345
Walmart Foundation	12,079	15,617
First Congregational Church of Madison	10,000	10,000
Wells Fargo	9,547	4,924
Auerbach Grant (HFPG)	5,500	1,171
Goldfarb Grant (HFPG)	5,000	0
Northwest CT Community Foundation	4,881	0
Wrobel Grant (HFPG)	3,749	7,243
People's United Community Foundation	3,500	8,500
CT. Dept. of Economic & Community Development	2,791	4,000
Dime Savings Bank	2,000	2,500
J. Walton Bissell	1,903	10,000
Strategic Planning (HEPG)	1,860	0
Lindberg Grant (HFPG)	1,000	1,000
Strategic Technologies Grant (HFPG)	0	7,451
Transitional Operating Support (HFPG)	0	6,500
Beatice Fox Grant (HFPG)	0	5,500
Gen Re Corporation	0	5,000
Main Street Foundation	0	4,000
Community Foundation of Middlesex County	0	3,000
Elizabeth Raymond Ambler Trust	0	2,500
Community Foundation of Greater New Haven	0	1,872
Zavela Grant (HFPG)	0	1,505
Bishop's Fund for Children	0	76
Community Health Network Foundation	0	60
	<u>\$ 77,156</u>	<u>\$ 112,764</u>

COVENANT TO CARE FOR CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 5 - Fair Value of Financial Instruments:

The Organization's financial instruments consist of cash, grants receivable, and a line of credit obligation. The Organization estimates that the fair value of all financial instruments, at June 30, 2019 and 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Note 6 – Rents and Lease:

Rent consists of payments for office space in Hartford which was occupied effective March 1, 2014. Rental payments for the years ended June 30, 2019 and 2018 were \$30,768 and \$30,748, respectively. The lease is from March 1, 2014 through February 28, 2024.

At June 30, 2019 the minimum future rental payments under this lease are as follows:

Year Ended June 30,	2020	\$	29,816
Year Ended June 30,	2021		30,312
Year Ended June 30,	2022		30,564
Year Ended June 30,	2023		31,068
Year Ended June 30,	2024		<u>20,712</u>
	Total	\$	<u>142,472</u>

Upon expiration of the lease term at February 28, 2024, the Organization shall have the right to extend the lease for one additional five (5) year period with a mutually agreed upon increase in rate.

The organization, effective October 1, 2017, is also renting additional storage space for \$100 per month. The terms are month to month.

Note 7 – Working Capital Loan:

The Organization had an available line of credit in the amount of \$75,000 from the Greater Hartford Business Development Center (HEDCO). The line was available through May 31, 2015 and was not renewed by HEDCO. As of June 30, 2015, the obligation was recharacterized from a line of credit to an open-ended loan obligation by HEDCO with no specific repayment terms. Because of the uncertain repayment terms, the obligation was classified as current. The Organization owed \$-0- and \$42,914 for the years ended June 30, 2019 and 2018, respectively. Interest was charged at the rate of 4%.

Note 8 – Evaluation of Subsequent Events:

The Organization has evaluated subsequent events through January 14, 2020 the date which the financial statements were available to be issued.



Kircaldie, Randall & McNab LLC

Certified Public Accountants

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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
Covenant to Care for Children, 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 Covenant to Care for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 January 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Covenant to Care for Children, Inc.'s internal control over financial reporting (internal control) to determine the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Covenant to Care for Children, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kissel, Randall, & Moran L.L.C.

Wethersfield, Connecticut
January 14, 2020