

*Audited Financial Statements*

***Connecticut Bar Foundation, Inc.***

*Years ended December 31, 2024 and 2023  
with Independent Auditors' Report and  
Reports in Accordance with Government Auditing  
Standards, the Uniform Guidance  
and the State Single Audit Act*



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Connecticut Bar Foundation, Inc.

Financial Statements

Years Ended December 31, 2024 and 2023

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## Independent Auditors' Report

To the Board of Directors of  
Connecticut Bar Foundation, Inc.  
Hartford, Connecticut

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Connecticut Bar Foundation, Inc. (the Foundation), a not-for-profit, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 Bar Foundation, Inc. as of December 31, 2024 and 2023, 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 audits 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management 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.

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 the Foundation's ability to continue as a going concern within one year after the date of the financial statements are available to be issued.



## Independent Auditors' Report (continued)

### **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 the Foundation'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 the Foundation'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.



## Independent Auditors' Report (continued)

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, on our consideration of Connecticut Bar Foundation, 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 the Foundation'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 the Foundation's internal control over financial reporting and compliance.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
May 14, 2024



Connecticut Bar Foundation, Inc.  
Statements of Financial Position  
December 31, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 13,258,680	\$ 8,042,288
IOLTA/IOTA receivables	1,716,499	1,721,362
Grants receivable	1,026,165	650,338
Pledges receivable, net	252,100	307,625
Accounts and loans receivable	85,835	128,289
Investments, at fair value	38,324,096	27,370,827
Prepaid expenses	3,645	3,175
Total assets	\$ 54,667,020	\$ 38,223,904
<b>Liabilities and net assets</b>		
Accounts payable and accrued expenses	\$ 1,242,331	\$ 1,221,215
Deferred revenue	653,647	1,623,263
Total liabilities	1,895,978	2,844,478
Net assets		
Without donor restrictions	2,467,825	1,998,786
Board designated	588,273	632,669
Total net assets without donor restrictions	3,056,098	2,631,455
With donor restrictions	49,714,944	32,747,971
Total net assets	52,771,042	35,379,426
Total liabilities and net assets	\$ 54,667,020	\$ 38,223,904

*See accompanying notes*

Connecticut Bar Foundation, Inc.  
Statements of Activities  
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes in net assets without donor restrictions:</b>						
<b>Revenues and Support:</b>						
State grants	\$ 2,683,729	\$ 12,795,413	\$ 15,479,142	\$ 2,817,463	\$ 11,601,912	\$ 14,419,375
Federal grants	5,496,652	-	5,496,652	4,411,068	-	4,411,068
Other revenue - Court Fees Grants-in-Aid	-	286,376	286,376	-	472,266	472,266
IOLTA/IOTA income	-	21,653,960	21,653,960	-	19,036,015	19,036,015
Fellows contributions	40,575	25,000	65,575	17,850	66,043	83,893
Other contributions	100,610	200,346	300,956	199,532	255,780	455,312
Net assets released from restrictions	20,026,170	(20,026,170)	-	16,523,927	(16,523,927)	-
Total revenues and support	<u>28,347,736</u>	<u>14,934,925</u>	<u>43,282,661</u>	<u>23,969,840</u>	<u>14,908,089</u>	<u>38,877,929</u>
<b>Expenses:</b>						
Program	27,972,482	-	27,972,482	23,619,561	-	23,619,561
Management and general	279,522	-	279,522	242,824	-	242,824
Total expenditures	<u>28,252,004</u>	<u>-</u>	<u>28,252,004</u>	<u>23,862,385</u>	<u>-</u>	<u>23,862,385</u>
<b>Other income:</b>						
Net investment income	328,911	2,032,048	2,360,959	367,825	1,827,524	2,195,349
Total other income	<u>328,911</u>	<u>2,032,048</u>	<u>2,360,959</u>	<u>367,825</u>	<u>1,827,524</u>	<u>2,195,349</u>
<b>Change in net assets</b>	<u>424,643</u>	<u>16,966,973</u>	<u>17,391,616</u>	<u>475,280</u>	<u>16,735,613</u>	<u>17,210,893</u>
<b>Net assets - beginning of year</b>	<u>2,631,455</u>	<u>32,747,971</u>	<u>35,379,426</u>	<u>2,156,175</u>	<u>16,012,358</u>	<u>18,168,533</u>
<b>Net assets - end of year</b>	<u>\$ 3,056,098</u>	<u>\$ 49,714,944</u>	<u>\$ 52,771,042</u>	<u>\$ 2,631,455</u>	<u>\$ 32,747,971</u>	<u>\$ 35,379,426</u>

See accompanying notes

Connecticut Bar Foundation, Inc.  
 Statements of Functional Expenses  
 For the Year Ended December 31, 2024

	<b>Legal Aid Services</b>	<b>Other Programs</b>	<b>Program Total</b>	<b>Management and General</b>	<b>Total</b>
Grants	\$ 26,430,168	\$ 214,662	\$ 26,644,830	\$ 140	\$ 26,644,970
Compensation and temporary help	662,492	-	662,492	178,714	841,206
Professional services	270,426	-	270,426	19,035	289,461
Computer and software services	129,833	-	129,833	15,759	145,592
Employee benefits	67,634	-	67,634	19,436	87,070
Payroll taxes	51,333	-	51,333	13,937	65,270
Occupancy costs	47,598	-	47,598	8,803	56,401
Fellows' symposia and other events	5,526	46,213	51,739	411	52,150
Travel, meetings and dues	11,251	2,250	13,501	4,049	17,550
Insurance	11,548	-	11,548	2,030	13,578
Bad debt	-	-	-	13,178	13,178
Bank fees and miscellaneous	5,652	2,623	8,275	1,552	9,827
Printing and postage costs	6,381	-	6,381	1,131	7,512
Telephone	3,663	-	3,663	647	4,310
Office supplies	3,229	-	3,229	700	3,929
Total expenses	<u>\$ 27,706,734</u>	<u>\$ 265,748</u>	<u>\$ 27,972,482</u>	<u>\$ 279,522</u>	<u>\$ 28,252,004</u>

*See accompanying notes*

Connecticut Bar Foundation, Inc.  
 Statements of Functional Expenses  
 For the Year Ended December 31, 2023

	<b>Legal Aid Services</b>	<b>Other Programs</b>	<b>Program Total</b>	<b>Management and General</b>	<b>Total</b>
Grants	\$ 21,874,279	\$ 352,412	\$ 22,226,691	\$ 647	\$ 22,227,338
Compensation and temporary help	683,993	-	683,993	146,494	830,487
Professional services	377,641	-	377,641	33,728	411,369
Computer and software services	84,610	-	84,610	15,019	99,629
Employee benefits	88,529	-	88,529	13,297	101,826
Payroll taxes	54,335	-	54,335	11,866	66,201
Occupancy costs	32,268	-	32,268	8,017	40,285
Fellows' symposia and other events	2,145	30,748	32,893	4,066	36,959
Travel, meetings and dues	7,199	100	7,299	2,470	9,769
Insurance	6,817	-	6,817	1,512	8,329
Bad debt	-	-	-	1,104	1,104
Bank fees and miscellaneous	502	2,974	3,476	783	4,259
Printing and postage costs	6,803	-	6,803	267	7,070
Telephone	4,764	-	4,764	1,046	5,810
Office supplies	2,041	261	2,302	999	3,301
Equipment	7,140	-	7,140	1,509	8,649
Total expenses	<u>\$ 23,233,066</u>	<u>\$ 386,495</u>	<u>\$ 23,619,561</u>	<u>\$ 242,824</u>	<u>\$ 23,862,385</u>

*See accompanying notes*

Connecticut Bar Foundation, Inc.  
 Statements of Cash Flows  
 For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 17,391,616	\$ 17,210,893
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Bad debt	13,178	1,104
Change in discount for pledges receivable	(4,603)	189
Investment income, net	(2,360,959)	(2,195,349)
Changes in assets and liabilities:		
IOLTA/IOTA receivables	4,863	(483,669)
Grants receivable	(375,827)	(650,338)
Prepaid expenses	(470)	(3,075)
Pledges receivable	46,950	24,126
Accounts and loan receivable	42,454	132,870
Accounts payable and accrued expenses	21,116	1,027,607
Deferred revenue	(969,616)	(1,409,598)
Net cash provided by operating activities	13,808,702	13,654,760
<b>Cash flows from investing activities:</b>		
Purchase of investments	(8,592,310)	(14,058,245)
Net cash used in investing activities	(8,592,310)	(14,058,245)
Change in cash and cash equivalents	5,216,392	(403,485)
<b>Cash and cash equivalents - beginning of year</b>	8,042,288	8,445,773
<b>Cash and cash equivalents - end of year</b>	\$ 13,258,680	\$ 8,042,288

*See accompanying notes*

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements  
Years Ended December 31, 2024 and 2023

**1. Nature of Foundation**

The Connecticut Bar Foundation (CBF or the Foundation) is a non-profit organization established in 1952. Its mission is to facilitate systemic change that advances civil justice for all, regardless of power or resources, to achieve a more just and equitable society. The CBF works to do this by stewarding funding, volunteers, programming, data, innovation, and collaboration to lead and partner in integrated approaches to improving the administration of civil justice. Specifically, the CBF administers several grant programs that fund the delivery of legal services for Connecticut residents who cannot afford an attorney, including the Interest on Lawyers' Trust Accounts and the Interest on Trust Accounts (IOLTA/IOTA) programs, the Judicial Branch Grants-in-Aid, the Court Fees Grants-in-Aid, and the state's Right to Counsel program. The Foundation also funds scholarships, based on financial need, for Connecticut students attending law schools in the state.

In 1994, the Foundation established the James W. Cooper Fellows as the result of a generous bequest from James W. Cooper. The Fellows develop and sponsor projects and programs to promote a better understanding of the legal profession, the judicial system, and the role of law in society; to explore ways to improve the profession and the administration of justice; and to further the highest ideals of the legal system.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting and Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

*Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions. These funds are available for general operating purposes and/or to use at the discretion of the Board of Directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for general use by Management. As of December 31, 2024 and 2023, there was Board designated funds of \$588,273 and \$632,669, respectively, to provide legal aid services.

*With Donor Restrictions* - Net assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provision of additional donor-imposed stipulations or a board approved spending policy. As of December 31, 2024 and 2023, the donor restricted net asset balance was \$49,714,944 and \$32,747,971, respectively (see Note 7).

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid investments with a maturity of three months or less when acquired.

**IOLTA/IOTA Receivables**

IOLTA/IOTA receivables represent interest earned on lawyers' and other trust accounts during the year that is transferred by the banks to the Foundation in January of the following year. No reserves are deemed necessary, as all receivables are considered collectible.

**Pledges and Grants Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded as receivables at their net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their estimated future cash flows using rates ranging from 0.36% to 4.38%. The discount rate used for pledges received in 2024 and 2023 was 4.38% and 3.84%, respectively.

Grants receivables are conditional and are recorded when earned.

Management periodically evaluates the collectability of its receivables and creates an allowance for any accounts deemed uncollectible when applicable. Allowances are determined by management based on an assessment of their collectability collected (see Note 4). Receivables are written off when management determines amounts will not be collected.

**Investments**

The Foundation carries investments in marketable securities at their current fair value as determined through published market quotations. Net investment earnings are included in the accompanying statement of activities.

**Endowment**

The Foundation follows the provisions of ASC Subtopic 958-205 which provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and also requires disclosures about endowment funds.

**Property and Equipment**

Property and equipment acquisitions and improvements are recorded at cost. Maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from five to seven years.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Deferred Revenue**

The Foundation records deferred revenue for grant funding received not yet expended for the use intended.

**Revenue and Support**

*Contributions*

Contributions are defined as voluntary, nonreciprocal transfers. Unconditional contributions are recognized as support when received or pledged. Conditional contributions that are contingent on the occurrence of a future event are not recognized until the condition has been satisfied. Contributions are recorded as restricted support when they are received with donor stipulations that limit the use of such assets. When a restriction expires or when the restricted purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grant funds returned, if any, are recognized as a component of other revenue when returned.

The Foundation receives the following specific grants as identified on the statement of activities:

*Court Fees Grants-in-Aid*

In an effort to replace drastically reduced IOLTA/IOTA revenue, the Connecticut State Legislature passed certain court fee increases and dedicate a portion of those increases to funding civil legal services.

*IOLTA/IOTA*

The revenue of the IOLTA/IOTA Program is derived from interest earned on lawyers trust accounts and interest on trust accounts, made available by participating attorneys through eligible financial institution remittances of interest earned on these accounts. The purpose of the program is to make funds available to provide for the delivery of civil legal services to the poor and for law school scholarships based on financial need. Connecticut state statute made participation in IOLTA/IOTA mandatory for attorney clients funds not held in separate interest-bearing accounts for the benefit of the client. The statute was amended to include funds from all entities having accounts established to receive loan proceeds from a mortgage lender, which implemented the interest on trust accounts program.

The Foundation distributes revenue from the IOLTA/IOTA Program to civil legal aid organizations through a competitive grant process.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Revenue and Support (continued)**

*Judicial Branch Grants-in-Aid*

The State of Connecticut Judicial Branch Grants-in-Aid program provides additional funding for civil legal aid. The Foundation distributes these funds to grantees for civil legal representation for the poor. These funds are subject to reduction or termination by the Governor or Connecticut General Assembly.

*RTC/TRO*

The Connecticut general assembly also enacted two new programs in 2022 to increase access to civil legal representation for individuals who cannot afford an attorney, and the Connecticut Bar Foundation was selected as the administering entity. The first program, Right to Counsel Eviction Defense Program (RTC) created a statewide program for tenants at risk of eviction at no cost to the tenant. The second program, Temporary Restraining Order Program (TRO), established a grant program to fund increased access to legal representation for individuals who express an interest in applying for a temporary restraining order.

**Cost Allocation**

The financial statements report certain categories of expenses that are attributable to one or more program functions of the Foundation. These categories include compensation, payroll taxes, professional services, computer and software, insurance, meetings, printing and postage, and office supplies, which are allocated on the basis of estimates of time and effort as well as budgeted grant expenses. The only amounts recorded as program expenses are those that are incurred for the direct purpose of running a specific program. All other amounts are recorded as management and general expenses.

**Use of Estimates**

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

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Leases**

The Foundation follows Accounting Standards Codification (ASC) 842 *Leases*.

*Short Term Leases* - Short term leases are expensed on a straight-line basis over the lease term, with differences between lease payments and lease expenses being recorded to deferred rent.

*Operating Leases* - Operating leases are recorded through a right of use asset and lease liability on the statements of financial position. The lease liability is recorded at a present value using the risk-free discount rate (or rate implicit in the lease). The lease liability is reduced as lease payments are made throughout the life of the lease. The right of use asset is reduced as lease expense is recognized on a straight-line basis throughout the life of the lease. The total lease expense is equal to the total lease component payments made for the lease.

*Variable Payments* - Variable lease payments are recognized as lease expenses in the period in which they are incurred.

The Foundation elected the following practical expedients and policies related to their leasing arrangements:

- (1) To not separate lease and nonlease components for leases within the real estate asset class. The Organization accounts for lease and nonlease components within the real estate asset class as a single combined lease component.
- (2) Not to record on the balance sheet a lease whose term is 12 months or less and does not include a purchase option that the lessee is reasonably certain to exercise.
- (3) To use the risk-free rate in lieu of determining an incremental borrowing rate when determining the present value of the lease payments for purposes of calculating the ROU asset and lease liability.
- (4) To use hindsight in determining the lease term, including lease renewal, termination and purchase options, as well as in assessing any impairment of the right-of-use (ROU) asset by taking into consideration all available information prior to the effective date but not the events or circumstances after the effective date.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**3. Concentrations of Risk**

*Credit Risk - Cash*

The Foundation maintains its cash in financial institution accounts that, at times during the year, may exceed federally insured limits. The interest-bearing cash balances in the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Management continually reviews the financial institutions for financial stability. The Foundation has not experienced any losses and believes that its cash and cash equivalents are not exposed to significant credit risk.

*Credit Risk - Investments*

The Foundation also maintains an investment account in a financial institution that is not insured by the FDIC. Management considers investments to be sufficiently diversified to minimize to an acceptable level the individual investment and industry concentration risks.

*Sources of Revenue*

A substantial portion of the Foundation's total support is derived from grants received from the Judicial Branch for the Court Fee Grants-in-Aid, Judicial Branch Grants-in-Aid, and RTC/TRO grant programs. The Foundation received approximately 48% of its revenue and support from the Judicial Branch for both the years ended December 31, 2024 and 2023.

IOLTA/IOTA income represented 50% and 49% of the Foundation's total revenue and support for the years ended December 31, 2024 and 2023, respectively.

For the year ended December 31, 2024, income generated from three individual banks represented 27%, 24% and 13% of total IOLTA/IOTA income. As of December 31, 2023, income generated from two individual banks represented 31% and 27% of total IOLTA/IOTA income.

**4. Pledges Receivable**

The Foundation sponsors the James W. Cooper Fellows Program to promote a better understanding of the legal profession and the justice system among the citizens of Connecticut, and to address matters concerning the legal profession and administration of justice in Connecticut. Such pledges are recorded as revenue when made to the Foundation.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**4. Pledges Receivable (continued)**

Pledges receivable consist of the following as of December 31:

	2024	2023
Less than one year	\$ 85,358	\$ 82,669
One to five years	182,473	223,084
Greater than five years	29,500	42,500
Total pledges receivable	297,331	348,253
Less: allowance for doubtful accounts	(14,867)	(14,189)
Less: discount to net present value	(30,364)	(26,439)
Total pledges receivable, net	\$ 252,100	\$ 307,625

**5. Investments and Fair Value Measurements**

The Foundation provides disclosures about the fair value of its investment assets that are recognized at fair value in the financial statements on a recurring basis. The Foundation classifies these assets into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These levels are:

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

Level 2 – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**5. Investments and Fair Value Measurements**

The allocation and fair value measurements of the Foundation’s investments that are reported in the accompanying statements of financial position are as follows at December 31:

	2024	2023
Equity, mutual funds:		
Stock market index fund	\$ 11,639,640	\$ 6,844,344
International stock index fund	2,781,142	1,765,869
Fixed income funds	23,903,314	18,760,614
Total investments	\$ 38,324,096	\$ 27,370,827

All investments held by the Foundation are valued using Level 1 inputs.

**6. Endowment Funds**

The Foundation’s net assets with donor restrictions consists of ten individual funds, two of which are to be held in perpetuity. The remainder are with donor-imposed restrictions for purpose.

For endowed net assets with donor restrictions, the Foundation follows the provisions of the State of Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation reports endowed net assets as an amount equal to the value of each fund at the time it became an endowment fund, and subsequent contributions and accumulations pursuant to the applicable gift instrument. Unless otherwise explicitly stated by the donor, return on investments of donor-restricted endowment funds is reported as accumulated gains within the with donor-restriction classification, until appropriated for expenditure by the Foundation.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: duration and preservation of the fund, purpose of the expenditures, general economic conditions, possible effect of inflation and deflation, expected total return on the charitable assets, other resources of the organization and investment policies of the Foundation.

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its donor restricted funds. Under this policy, the Finance and Investment Committees invests the Foundation’s funds in a manner that is intended to produce results that meet the price and yield results of composite benchmarks, while assuming a moderate level of investment risk.

The Foundation maintains a spending policy based on 5% of the average value of invested assets over the twelve-quarters ending the previous September 30, provided that the annual spending amount shall be no greater than 120%, nor less than 80%, of the prior year’s spending amount. This policy is designed to work together with its investment strategy to preserve the inflation adjusted value of donor restricted endowment funds over time.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**6. Endowment Funds (continued)**

In an effort to achieve its long-term rate of return objectives, the Finance and Investment Committees rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Finance and Investment Committees targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Net assets for donor restricted endowment funds as of December 31, 2024 and 2023, were \$242,718 and \$215,609, respectively.

Changes in donor restricted endowment funds for the year ended December 31 were as follows:

Endowment funds – December 31, 2022	\$ 191,105
Net realized and unrealized gains	29,630
Interest and dividends	4,973
Distributions	(10,099)
Endowment funds – December 31, 2023	\$ 215,609
Net realized and unrealized gains	23,427
Interest and dividends	5,985
Distributions	(2,303)
Endowment funds – December 31, 2024	\$ 242,718

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or CTUPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist as indicated in the following table. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no funds with deficiencies at December 31, 2024. Funds with deficiencies at December 31, 2023, are listed below:

	Historic Gift Value	Fair Market Value	Underwater	Number of Funds
December 31, 2023	\$ 42,155	\$ 41,335	\$ (820)	1

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**7. Net Assets**

Net assets with donor restrictions will be recognized in subsequent years upon satisfaction of purpose and time restrictions in the following areas:

	2024	2023
<b>Purpose restricted:</b>		
<i>Legal Service Programs:</i>		
IOLTA/IOTA Program	\$ 47,279,264	\$ 30,571,374
Court Fees Grants-in-Aid	1,400,816	1,037,110
<i>General Foundation Programs:</i>		
Singer Fellowship Program	81,763	130,287
Reentry Award Fund	185,798	200,173
Connecticut Innocence Fund	116,315	116,065
Speziale Symposia Memorial Fund	67,680	70,967
Fitzgerald Fund for Excellence	24,485	25,344
Pels Homelessness Prevention Fund	20,825	26,980
Oral History of CT Women in Legal Profession	33,558	34,190
History of Attorneys of Color	9,622	12,247
<b>Time Restricted:</b>		
James W. Cooper Fellows	252,100	307,625
<b>Endowment Funds:</b>		
Kravitz Symposia Fund	196,419	174,274
Eginton Memorial Fund	46,299	41,335
Total net assets with donor restrictions	\$ 49,714,944	\$ 32,747,971

Investment income earned on the IOLTA/IOTA program funds is considered restricted for the purpose of the program (see Note 2).

**8. Commitments and Contingencies**

*Commitments*

The Foundation's Board of Directors approved \$20,931,144 of conditional grant awards to be disbursed in monthly payments during the grant year from January 1 through December 31, 2025, and \$36,000 for scholarships that are to be disbursed during the same period.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**9. Operating Leases**

The Foundation determines if an arrangement is a lease at inception. Operating leases are included as operating lease right-of-use (ROU) assets and operating lease liabilities in the statements of financial position. Finance leases are included in property and equipment and finance lease liabilities in the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation uses a risk-free interest rate when an implicit rate is not provided. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As of December 31, 2024 and 2023, there were no ROU assets or operating lease liabilities recorded in the financial statements as management did not believe they were material.

The Foundation has a lease agreement for office space and parking with minimum monthly required payments ranging from \$2,485 to \$3,086. The lease agreement was effective through March 31, 2024. During 2024, the Foundation moved office space locations and entered into a new lease agreement with minimum monthly required payments of \$3,645. The lease agreement is effective through April 30, 2025. The Foundation has entered into operating lease agreements for various office equipment, with minimum monthly required payments ranging from \$170 to \$289 and terminate on various dates through 2025. Total lease expense for years ending December 31, 2024 and 2023, was \$49,142 and \$41,126, respectively.

In April 2025, the Foundation entered into a new three-year lease agreement (see Note 12).

Future minimum lease payments required under the operating leases as of December 31 are as follows:

2025	\$	20,103
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**10. Pension Plan**

The Foundation sponsored a Simplified Employee Pension (SEP) retirement plan. To participate, employees must be 21 years of age and have been employed for any part of three consecutive calendar years, earning at least \$650 for each year. Contributions are based on ten percent of the participants' calendar year-end compensation. Pension expenses for the years ended December 31, 2024 and 2023, were \$12,457 and \$42,578, respectively. The SEP retirement plan was terminated during 2024 and the Foundation adopted a Defined Contribution Plan – 401(k) Plan effective January 1, 2025 (see Note 13).

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**11. Income Taxes**

The Foundation has received an exemption from the Internal Revenue Service (IRS) from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

Management of the Foundation evaluates all significant tax positions required by accounting principles generally accepted in the United States of America. As of December 31, 2024 and 2023, management stated it does not have any tax position that would require the recording of any additional tax liability nor does it have any unrealized tax benefits that would either increase or decrease within the next twelve months.

The Foundation's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2024 and 2023, the Foundation's federal and state tax returns generally remain open for examination for three years after December 31, 2021.

**12. Liquidity and Availability of Financial Assets**

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, and other obligations that come due. The Foundation defines general expenditures as those expenses related to administration of its programs including but not limited to salaries, employee benefits, rent, supplies, professional services, and equipment. These expenses are included in the Foundation's annual budget. Any costs over the budgeted amounts would be discussed with the President or Treasurer of the Foundation and a budget revision would be submitted to the Board if the overage were substantial enough or negatively impact the overall budget.

The Board of Directors has adopted and periodically reviews Investment, Reserve, Finance and Control policies to stipulate goals and controls for maintaining financial assets and guidelines for investing excess cash when available.

The Foundation closely tracks donations that have been received with donor restrictions to ensure that these funds are only used for their intended purpose.

Connecticut Bar Foundation, Inc.  
Notes to Financial Statements (continued)

**12. Liquidity and Availability of Financial Assets (continued)**

The following reflects the Foundation's financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor-imposed restrictions or internal designations.

	<b>2024</b>	<b>2023</b>
Financial assets:		
Cash and cash equivalents	\$ 13,258,680	\$ 8,402,288
IOLTA/IOTA receivables	1,716,499	1,721,362
Grants receivable	1,026,165	650,338
Pledges receivable, net	252,100	307,625
Accounts and loans receivable	85,835	128,289
Investments, fair value	38,324,096	27,370,827
	<b>54,663,375</b>	<b>38,220,729</b>
Less:		
Amounts unavailable for management:		
Net assets with donor restrictions	(49,714,944)	(32,747,971)
Board designated funds	(588,273)	(632,669)
	<b>(50,303,217)</b>	<b>(33,380,640)</b>
Total financial assets available within one year	<b>\$ 4,360,158</b>	<b>\$ 4,840,089</b>

**12. Subsequent Events**

The Foundation has evaluated events occurring between December 31, 2024, and May 14, 2025, the date the financial statements were available to be issued.

Effective January 1, 2025, the Foundation adopted a 401(k) Plan for its employees. To participate, employees must be 21 years of age. The Foundation matches 100% of employee contributions up to 3% and 50% of employee deferrals that exceed 3% up to a maximum of 5% of total eligible compensation.

In April 2025, the Foundation entered into a new three-year lease agreement with minimum monthly required payments ranging from \$4,253 to \$4,455, commencing on June 1, 2025 through June 30, 2028.

## **II. Report 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 of  
Connecticut Bar Foundation, 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 Bar Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2024, 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 May 14, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 or significant deficiencies may exist that were not identified.



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 (continued)*

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation'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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
May 14, 2025



### **III. Report in Accordance with Uniform Guidance for Federal Awards**



## Independent Auditors' Report on Compliance for each Major 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 of  
Connecticut Bar Foundation, Inc.

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Connecticut Bar Foundation's (the Foundation) 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 the Foundation's major federal programs for the year ended December 31, 2024. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, the Foundation 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 federal programs for the year ended December 31, 2024.

#### ***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; 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 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation 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 the Foundation'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 the Foundation's federal programs.



## Independent Auditors' Report on Compliance for each Major Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (continued)

### *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 the Foundation'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 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 the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Foundation'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 the Foundation'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 the Foundation'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.



Independent Auditors' Report on Compliance for each Major Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (continued)

**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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Independent Auditors' Report on Compliance for each Major Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (continued)

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

We have audited the financial statements of the Foundation as of and for the year ended December 31, 2024, and have issued our report thereon dated May 14, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 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 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 federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
May 14, 2025



Connecticut Bar Foundation, Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through Subrecipient	Federal Expenditures
<b>U.S. Department of Treasury:</b>				
<i>Pass-through Programs:</i>				
Judicial Branch				
Coronavirus State and Local Fiscal Recovery Funds Right to Council – (RTC)	21.027	SLFRP0128	\$ 4,929,387	\$ 5,465,802
Total U.S. Department of Treasury			4,929,387	5,465,802
<b>U.S. Department of Housing and Urban Development:</b>				
<i>Pass-through Programs:</i>				
Connecticut Fair Housing Center				
Eviction Prevention Services	14.537	FR-6500-N-79	-	30,850
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,929,387</b>	<b>\$ 5,496,652</b>

*See Notes to Schedule of Expenditures of Federal Awards*

Connecticut Bar Foundation, Inc.  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended December 31, 2024

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Connecticut Bar Foundation, Inc. (the Foundation) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the 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 Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Foundation.

**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. Pass-through entity identifying numbers are presented where available.

**3. Indirect Cost Rate**

The Foundation elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Connecticut Bar Foundation, Inc.  
 Schedule of Federal Findings and Questioned Costs  
 For the Fiscal Year Ended December 31, 2024

**I. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

*Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 510(a)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Identification of major programs:

Name of Federal Program or Cluster	Federal Assistance Listing Number
<b>U.S. Department of Treasury:</b> Coronavirus State and Local Fiscal Recovery Funds Right to Council – (RTC)	21.027

Dollar threshold used to distinguish between Type A and Type B program:	\$    750,000
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Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**II. Financial Statement Findings**

None.

**III. Federal Findings and Questioned Costs**

None.

Connecticut Bar Foundation, Inc.  
Schedule of Federal Findings and Questioned Costs (continued)

**IV. Summary of Prior Year Financial Statement Findings**

**2023-001**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition**

Insufficient review controls over year-end account reconciliations for certain investments, related investment earnings, and revenue accounts. The associated assets and revenue reported in the subsidiary ledgers was not reported in accordance with GAAP, however, the federal expenditures were properly recognized and reported.

**Current Status**

The financial statement finding has been corrected.

**IV. Report in Accordance with the State Single Audit Act**



**Independent Auditors' 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 of  
Connecticut Bar Foundation, Inc.

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Connecticut Bar Foundation, Inc.'s (the Foundation) 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 the Foundation's major state programs for the year ended December 31, 2024. The Foundation'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, the Foundation complied, in all material respects, with the types of compliance requirements referred to below that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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



Independent Auditors' 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 (continued)

***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 the Foundation'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*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236) 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 the Foundation's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Foundation'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 the Foundation'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 the Foundation'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.



Independent Auditors' 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 (continued)

**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.



Independent Auditors' 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 (continued)

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

We have audited the financial statements of Connecticut Bar Foundation, Inc., as of and for the year ended December 31, 2024 and have issued our report thereon dated May 14, 2025, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the State Single Audit Act and is not a 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.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
May 14, 2025



Connecticut Bar Foundation, Inc.  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2024

State Grantor / Pass Through Grantor Program Title	State Grant Program Core - CT Number	Passed Through Subrecipient	Expenditures
<b>Judicial Branch:</b>			
Court Fee Program	11000-JUD95162-40001-089	\$ 12,281,019	\$ 12,795,413
Civil Legal Representation (Judicial Branch Grants-in-Aid)	11000-JUD95162-12516-090	1,764,535	1,787,619
Civil Legal Representation (Temporary Restraining Orders "TRO" Program)	11000-JUD95162-12516-090	886,912	896,110
Total State Financial Assistance		\$ 14,932,466	\$ 15,479,142

*See Notes to Schedule of Expenditures of State Financial Assistance.*

Connecticut Bar Foundation, Inc.  
Note to Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2024

**Note 1 - Basis of Presentation and Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of Connecticut Bar Foundation, Inc. (the Foundation) under programs of the State of Connecticut for the fiscal year ended December 31, 2024. The Judicial Branch of the State of Connecticut has provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs to provide civil legal representation to poor people in Connecticut.

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. The information in the Schedule of Expenditures of State Financial Assistance (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.

Connecticut Bar Foundation, Inc.  
 Schedule of State Findings and Questioned Costs  
 For the Year Ended December 31, 2024

**I. Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s 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 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 major programs: Unmodified

Any audit findings disclosed that are required to be reported  
 in accordance with Section 4-236-24 of the Regulations to  
 the State Single Audit Act? \_\_\_ Yes  X  No

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

<u>State Grantor and Program</u>	<u>State Core – CT Number</u>	<u>Expenditures</u>
<b>Judicial Branch:</b>		
Court Fee Program	11000-JUD95162-40001-089	\$ 12,795,413
Dollar threshold used to distinguish between type A and type B programs		\$ 309,583

**II. Financial Statement Findings**

None.

**III. State Financial Assistance Findings and Questioned Costs**

None.

Connecticut Bar Foundation, Inc.  
Schedule of State Findings and Questioned Costs (continued)

**IV. Summary of Prior Year State Financial Statement Findings**

**2023-001**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition**

Insufficient review controls over year-end account reconciliations for certain investments, related investment earnings, and revenue accounts. The associated assets and revenue reported in the subsidiary ledgers was not reported in accordance with GAAP, however, the state expenditures were properly recognized and reported.

**Current Status**

The financial statement finding has been corrected.