

**SIMPLIFYCT, INC.**

**FINANCIAL AND INDEPENDENT  
AUDITOR'S REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**



SIMPLIFYCT, INC.

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SIMPLIFYCT, INC.

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**INDEPENDENT AUDITOR'S REPORT ON THE  
FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF  
SIMPLIFYCT, INC.

### *Opinion*

We have audited the accompanying financial statements of SimplifyCT, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SimplifyCT, Inc. as of December 31, 2024, 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.

### *Prior Period Financial Statements*

The financial statements of SimplifyCT, Inc. as of December 31, 2023 were audited by other auditors whose report dated October 8, 2024 expressed an unmodified opinion on those financial statements.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SimplifyCT, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

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


## ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 SimplifyCT, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise a substantial doubt about SimplifyCT, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



HOPE & HERNANDEZ, P.C.  
Bridgeport, Connecticut  
August 18, 2025

SIMPLIFYCT, INC.

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**FINANCIAL STATEMENTS**

SIMPLIFYCT, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>CURRENT ASSETS:</b>                                     |                   |                   |
| Cash and Cash Equivalents                                  | \$ 419,776        | \$ 432,544        |
| Contributions & Grants Receivable, Net of Allowance of \$0 | 7,675             | -                 |
| Prepaid Expenses   | 8,561             | 1,902             |
| Total Current Assets                                       | 436,012           | 434,446           |
| <b>FIXED ASSETS</b>  |                   |                   |
| Computer Software  | 24,530            | 24,530            |
| Less: Accumulated Depreciation                             | (23,503)          | (17,362)          |
| Net Fixed Assets   | 1,027             | 7,168             |
| <b>TOTAL ASSETS</b>  | <b>\$ 437,039</b> | <b>\$ 441,614</b> |
| <b>LIABILITIES AND NET ASSETS</b>                          |                   |                   |
| <b>CURRENT LIABILITIES:</b>                                |                   |                   |
| Accounts Payable & Accrued Expenses                        | \$ 10,679         | \$ 21,686         |
| Total Current Liabilities                                  | 10,679            | 21,686            |
| <b>NET ASSETS:</b>   |                   |                   |
| Without Donor Restrictions                                 | 423,937           | 419,928           |
| With Donor Restrictions                                    | 2,423             | -                 |
| Total Net Assets   | 426,360           | 419,928           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                    | <b>\$ 437,039</b> | <b>\$ 441,614</b> |

SIMPLIFYCT, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|                                       | 2024              | 2023              |
|---------------------------------------|-------------------|-------------------|
| <b>Support and Revenue</b>            |                   |                   |
| Government Grants                     | \$ 438,130        | \$ 120,000        |
| Non-Government Grants                 | 135,825           | 430,000           |
| Contributions                         | 16,500            | 6,200             |
| Program Service Revenue               | 43,885            | 36,615            |
| Contributed Services                  | 550,620           | 120,000           |
| In-Kind Contributions                 | 27,500            | 27,500            |
| Interest Income                       | 994               | 0                 |
|                                       | <u>1,213,454</u>  | <u>740,315</u>    |
| <b>Operating Expenses</b>             |                   |                   |
| Program Services                      | 1,164,565         | 577,592           |
| Management and General                | 24,257            | 67,158            |
| Fundraising                           | 18,200            | 11,532            |
|                                       | <u>1,207,022</u>  | <u>656,282</u>    |
| Total Expenses                        |                   |                   |
|                                       | <u>1,207,022</u>  | <u>656,282</u>    |
| Changes in Net Assets from Operations | 6,432             | 84,033            |
| <b>Non-Operating Activities</b>       |                   |                   |
| Investment Return, Net                | 0                 | 0                 |
|                                       | <u>0</u>          | <u>0</u>          |
| <b>Changes in Net Assets</b>          | 6,432             | 84,033            |
| <b>Net Assets, Beginning of Year</b>  | 419,928           | 335,895           |
|                                       | <u>419,928</u>    | <u>335,895</u>    |
| <b>Net Assets, End of Year</b>        | <u>\$ 426,360</u> | <u>\$ 419,928</u> |

SIMPLIFYCT, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

|                                    | Program Services | Management and General | Fundraising | Totals       |
|------------------------------------|------------------|------------------------|-------------|--------------|
| Advertising and Marketing          | \$ 1,852         | \$ -                   | \$ -        | \$ 1,852     |
| Bank Service Charges               | -                | 2                      | -           | 2            |
| Computer and Internet Expenses     | 69,716           | -                      | -           | 69,716       |
| Intake Specialists                 | 5,088            | -                      | -           | 5,088        |
| Staff Travel & Reimbursements      | 9,606            | -                      | -           | 9,606        |
| Communication                      | 11,073           | -                      | -           | 11,073       |
| Office Expense                     | 19,928           | 191                    | -           | 20,119       |
| Insurance                          | 2,888            | 1,119                  | -           | 4,007        |
| Volunteer Reimbursements           | 9,422            | -                      | -           | 9,422        |
| Payroll and Benefits               | 400,987          | 21,288                 | 14,192      | 436,467      |
| Professional Fees                  | 49,744           | -                      | 4,008       | 53,752       |
| Contributed Services               | 550,620          | -                      | -           | 550,620      |
| In-Kind Contributions              | 27,500           | -                      | -           | 27,500       |
| Board Expenses                     | -                | 1,657                  | -           | 1,657        |
| Total Expenses before Depreciation | \$ 1,158,424     | \$ 24,257              | \$ 18,200   | \$ 1,200,881 |
| Depreciation Expense               | 6,141            | -                      | -           | 6,141        |
| Total Functional Expenses          | \$ 1,164,565     | \$ 24,257              | \$ 18,200   | \$ 1,207,022 |

SIMPLIFYCT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

|                                    | Program<br>Services | Management<br>and General | Fundraising | Totals     |
|------------------------------------|---------------------|---------------------------|-------------|------------|
| Advertising and Marketing          | \$ 9,689            | \$ -                      | \$ -        | \$ 9,689   |
| Bank Service Charges               | -                   | 215                       | -           | 215        |
| Computer and Internet Expenses     | 70,189              | -                         | -           | 70,189     |
| Intake Specialists                 | 4,184               | -                         | -           | 4,184      |
| Project Management                 | 13,828              | -                         | -           | 13,828     |
| Office Expense                     | 3,278               | 5,854                     | -           | 9,132      |
| Insurance                          | 3,548               | 698                       | -           | 4,246      |
| Volunteer Reimbursements           | 550                 | -                         | -           | 550        |
| Payroll and Benefits               | 258,684             | -                         | -           | 258,684    |
| Professional Fees                  | 206,492             | 60,391                    | 11,532      | 278,415    |
| Miscellaneous Expense              | -                   | -                         | -           | -          |
| Total Expenses before Depreciation | \$ 570,442          | \$ 67,158                 | \$ 11,532   | \$ 649,132 |
| Depreciation Expense               | 7,150               | -                         | -           | 7,150      |
| Total Functional Expenses          | \$ 577,592          | \$ 67,158                 | \$ 11,532   | \$ 656,282 |

SIMPLIFYCT, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|   | 2024                     | 2023                     |
|---|--------------------------|--------------------------|
| Cash Flows from Operating Activities:                         |                          |                          |
| Change in Net Assets  | \$ 6,432                 | \$ 84,033                |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to |                          |                          |
| Net Cash Provided (Used) by Operating Activities:             |                          |                          |
| Depreciation  | 6,141                    | 7,150                    |
| Changes in Assets and Liabilities:                            |                          |                          |
| Contributions & Grants Receivable                             | (7,675)                  | -                        |
| Prepaid Expenses  | (6,659)                  | (92)                     |
| Accounts Payable & Accrued Expenses                           | (11,007)                 | 2,014                    |
| Net Cash Provided (Used) by Operating Activities              | <u>(12,768)</u>          | <u>93,105</u>            |
| <br>  |                          |                          |
| Net Increase (Decrease) in Cash                               | (12,768)                 | 93,105                   |
| <br>  |                          |                          |
| Cash - Beginning of Year                                      | <u>432,544</u>           | <u>339,439</u>           |
| <br>  |                          |                          |
| Cash - End of Year  | <u><u>\$ 419,776</u></u> | <u><u>\$ 432,544</u></u> |
| <br>  |                          |                          |
| Cash Paid During the Year for:                                |                          |                          |
| Interest  | <u>\$ -</u>              | <u>\$ -</u>              |
| Income Taxes  | <u>\$ -</u>              | <u>\$ -</u>              |

SIMPLIFYCT, INC.

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**NOTES TO FINANCIAL STATEMENTS**

# SimplifyCT, Inc.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

SimplifyCT, Inc., (the “Organization”) is a nonprofit organization, formed on June 19, 2020. The primary purpose of the Organization is to provide free tax return and tax advocacy services to low income and at-risk populations along with other value added financial services as needed.

The Organization derives its revenues from grants and contributions.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These assumptions include but are not limited to the depreciable lives of long-lived assets and allocation of functional expenses. Actual results could differ from those estimates.

#### Support and Revenue Recognition

Revenues and expenses are recognized on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

#### Basis of Presentation

SimplifyCT, Inc.’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions can be perpetual in nature, where by the donor has stipulated that the funds be maintained in perpetuity. The Organization does not have any perpetual type net assets at December 31, 2024.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization reports donor restricted contributions, whose restrictions are met in the same reporting period, as contributions without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing programs and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Contributions & Grants Receivable

Contributions & Grants Receivable is recognized at net realizable value if expected to be collected in one year and, if material, multiyear receivables are recorded at the present value of their estimated future cash flows. Amortization of the discount is included in contribution revenue. At December 31, 2024 and 2023 contributions & grants receivable was \$7,675 and \$0, respectively. The Organization's allowance for uncollectible receivables is based on management's estimates of the creditworthiness of its contributors, current economic conditions, and historical information. At both December 31, 2024 and 2023, the balance of the allowance account is \$0.

# SimplifyCT, Inc.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### In-kind Contributions

In-kind contributions represent the value of donated supplies, materials and equipment and are recorded when these contributions are both specifically identifiable and can be objectively valued in monetary terms (fair market value, as determined by management).

#### Contributed Services

Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as revenue in the period.

#### Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash balances are held in U.S. financial institutions, which are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

#### Fixed Assets and Accumulated Depreciation

Fixed Assets are recorded at cost or, in the case of donated items, at fair value at date of gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years. The Organization's policy is to capitalize all fixed asset purchases greater than \$5,000 and expense normal repairs and maintenance as incurred.

#### Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and presented in detail in the statement of functional expenses. All costs have been charged directly to the program and supporting services benefited except for the Executive Director's salary, payroll taxes and benefits, which are allocated to program and supporting services based on time and effort.

#### Revenue Recognition

Contributions are recognized at fair value as revenue when received or when an unconditional promise to give has been made. Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised

# SimplifyCT, Inc.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### Revenue Recognition - Continued

assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

The Organization generates revenues from performing free tax return preparation services and, assisting other organizations prepare and file tax returns for their customers. Revenues from grants are recognized over time when the performance obligation under the terms of the grant are met.

#### Income Taxes

SimplifyCT, Inc. is a not-for-profit organization incorporated under the Non-stock Corporation Act of the State of Connecticut, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income tax. The tax years 2021 through 2024 remain open to examination by the Internal Revenue Service. The Organization did not identify any uncertain tax positions for the years ended December 31, 2024 and 2023.

#### Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization, at December 31, 2024 and 2023, maintained \$169,776 and \$182,544, respectively in cash balances in excess of Federal Deposit Insurance Corporation limits. The Organization has not incurred any losses in the past and believes it is not exposed to any significant credit risk.

### NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2024 and 2023.

|  |                  |                  |
|--|------------------|------------------|
| Financial assets at year end:  | <u>2024</u>      | <u>2023</u>      |
| Cash and cash equivalents  | \$419,776        | \$432,544        |
| Contributions & Grants Receivable  | <u>7,675</u>     | <u>-0-</u>       |
| Total Financial Assets   | \$427,451        | \$432,544        |
| Less amounts not available to be used within one year                                  | -0-              | -0-              |
| Financial assets available to meet general expenditures<br>over the next twelve months | <u>\$427,451</u> | <u>\$432,544</u> |

# SimplifyCT, Inc.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 3 – AVAILABILTY AND LIQUIDITY - Continued

As part of the Organization’s liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. Operating cash balance is monitored so as to not go below three months of the average personnel and operating requirements.

### NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at December 31, 2024:

| <u>Specific Purpose</u> |                |
|-------------------------|----------------|
| Code For America        | <u>\$2,423</u> |

### NOTE 5 – CONTRIBUTED SERVICES AND IN-KIND CONTRIBUTIONS

Contributed services and in-kind contributions are as follows at December 31, 2024 and 2023:

|                       | <u>2024</u> | <u>2023</u> |
|-----------------------|-------------|-------------|
| Contributed Services  | \$550,620   | \$120,000   |
| In-Kind Contributions | 27,500      | 27,500      |

Contributed services for both 2024 and 2023 consisted of tax preparation services performed by volunteers. The calculation of contributed services for 2024 consists of 11,957 tax returns completed multiplied by a \$46.05 per hour rate. The volunteer rate was extracted from the Bridgeport/Stamford/Norwalk Area for Business & Financial Operations Code.

In-kind contributions for both the 2024 and 2023 year consist of the value of routing software donated by Code for America. The entire values of both contributed services and in-kind contributions for 2024 and 2023 were charged to program services.

### NOTE 6 – SEP PLAN

The Organization maintains a SEP plan open to all full-time employees. The Organization provides a match for participating employees up to 3% of their annual salary. SEP plan expenses amounted to \$3,130 and \$0 at December 31, 2024 and 2023, respectively.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7 – SUBSEQUENT EVENTS**

Date of Management Evaluation - Management has evaluated subsequent events through August 18, 2025, the date on which the financial statements were available to be issued. Management has not identified any significant subsequent events requiring disclosure