

SIMPLIFYCT, INC.

**FINANCIAL AND INDEPENDENT
AUDITOR'S REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024



SIMPLIFYCT, INC.

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	2
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses 2025.....	6
Statement of Functional Expenses 2024.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9

SIMPLIFYCT, INC.

**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 statements of financial position as of December 31, 2025 and 2024, 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 SimplifyCT, Inc. as of December 31, 2025 and 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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
April 8, 2026

SIMPLIFYCT, INC.

FINANCIAL STATEMENTS

SIMPLIFYCT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 494,981	\$ 419,776
Contributions & Grants Receivable, Net of Allowance of \$0	-	7,675
Prepaid Expenses	3,190	8,561
Total Current Assets	498,171	436,012
FIXED ASSETS		
Computer Software	24,530	24,530
Less: Accumulated Depreciation	(24,530)	(23,503)
Net Fixed Assets	-	1,027
TOTAL ASSETS	\$ 498,171	\$ 437,039
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable & Accrued Expenses	\$ 32,317	\$ 10,679
Total Current Liabilities	32,317	10,679
NET ASSETS:		
Without Donor Restrictions	445,354	423,937
With Donor Restrictions	20,500	2,423
Total Net Assets	465,854	426,360
TOTAL LIABILITIES AND NET ASSETS	\$ 498,171	\$ 437,039

SIMPLIFYCT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Support and Revenue		
Government Grants	\$ 450,000	\$ 438,130
Non-Government Grants	262,500	135,825
Contributions	25,340	16,500
Program Service Revenue	3,797	43,885
Contributed Services	664,391	550,620
In-Kind Contributions	49,500	27,500
Interest Income	13,163	994
	1,468,691	1,213,454
Operating Expenses		
Program Services	1,368,777	1,164,565
Management and General	27,726	24,257
Fundraising	32,694	18,200
	1,429,197	1,207,022
Total Expenses		
Changes in Net Assets from Operations	39,494	6,432
Non-Operating Activities		
Investment Return, Net	0	0
	39,494	6,432
Changes in Net Assets		
Net Assets, Beginning of Year	426,360	419,928
Net Assets, End of Year	\$ 465,854	\$ 426,360

SIMPLIFYCT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Totals
Advertising and Marketing	\$ 5,501	\$ -	\$ -	\$ 5,501
Bank Service Charges	-	15	-	15
Computer and Internet Expenses	22,614	-	-	22,614
Staff Travel & Reimbursement	11,506	-	-	11,506
Communication	44,084	-	-	44,084
Office Expense	23,163	414	-	23,577
Insurance	3,611	1,399	-	5,010
Volunteer Reimbursements	9,673	-	-	9,673
Payroll and Benefits	443,051	23,534	15,673	482,258
Professional Fees	90,656	-	17,021	107,677
Contributed Services	664,391	-	-	664,391
In-Kind Contributions	49,500	-	-	49,500
Board Expenses	-	2,364	-	2,364
Miscellaneous Expense	-	-	-	-
Total Expenses before Depreciation	\$ 1,367,750	\$ 27,726	\$ 32,694	\$ 1,428,170
Depreciation Expense	1,027	-	-	1,027
Total Functional Expenses	\$ 1,368,777	\$ 27,726	\$ 32,694	\$ 1,429,197

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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 39,494	\$ 6,432
Adjustments to Reconcile Increase (Decrease) in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,027	6,141
Changes in Assets and Liabilities:		
Contributions & Grants Receivable	7,675	(7,675)
Prepaid Expenses	5,371	(6,659)
Accounts Payable & Accrued Expenses	21,638	(11,007)
Net Cash Provided (Used) by Operating Activities	75,205	(12,768)
Net Increase (Decrease) in Cash	75,205	(12,768)
Cash - Beginning of Year	419,776	432,544
Cash - End of Year	\$ 494,981	\$ 419,776
Cash Paid During the Year for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

SIMPLIFYCT, INC.

NOTES TO FINANCIAL STATEMENTS

SimplifyCT, Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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.

SimplifyCT, Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 and 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, 2025 and 2024 contributions & grants receivable was \$0 and \$7,675, 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, 2025 and 2024, the balance of the allowance account is \$0.

SimplifyCT, Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 AND 2024

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 2022 through 2025 remain open to examination by the Internal Revenue Service. The Organization did not identify any uncertain tax positions for the years ended December 31, 2025 and 2024.

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, 2025 and 2024, maintained \$290,667 and \$169,776, 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, 2025 and 2024.

Financial assets at year end:	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$494,981	\$419,776
Contributions & Grants Receivable	<u>-0-</u>	<u>7,675</u>
Total Financial Assets	\$494,981	\$427,451
Less amounts not available to be used within one year	-0-	-0-
Financial assets available to meet general expenditures over the next twelve months	<u>\$494,981</u>	<u>\$427,451</u>

SimplifyCT, Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Specific Purpose</u>		
Code For America		<u>\$2,423</u>
<u>Time & Specific Purpose</u>		
2026 Financial Literacy & Coaching Programs	\$20,000	
2026 Volunteer Engagement Activities	<u>500</u>	
	<u>\$20,500</u>	

NOTE 5 – CONTRIBUTED SERVICES AND IN-KIND CONTRIBUTIONS

Contributed services and in-kind contributions are as follows at December 31, 2025 and 2024:

	<u>2025</u>	<u>2023</u>
Contributed Services	\$664,391	\$550,620
In-Kind Contributions	49,500	27,500

Contributed services for both 2025 and 2024 consisted of tax preparation services performed by volunteers. The calculation of contributed services for 2025 consists of 14,091 tax returns completed multiplied by a \$47.15 per hour rate and 2024 consists of 11,957 tax returns completed multiplied by a \$46.05 per hour rate. The volunteer rates were extracted from the Bridgeport/Stamford/Norwalk Area for Business & Financial Operations Code for 2025 and 2024.

In-kind contributions for both the 2025 and 2024 years consist of the value of routing software donated by Code for America. The entire values of both contributed services and in-kind contributions for 2025 and 2024 were charged to program services.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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 \$8,850 and \$3,130 at December 31, 2025 and 2024, respectively.

NOTE 7 – SUBSEQUENT EVENTS

Date of Management Evaluation - Management has evaluated subsequent events through April 8, 2026, the date on which the financial statements were available to be issued. Management has not identified any significant subsequent events requiring disclosure