

**ALLIANCE FOR  
COMMUNITY  
EMPOWERMENT, INC.**

**STATE SINGLE AUDIT REPORT  
SEPTEMBER 30, 2019**

# ALLIANCE FOR COMMUNITY EMPOWERMENT, INC.

## STATE SINGLE AUDIT REPORT

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**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  
Alliance for Community Empowerment, Inc.  
Bridgeport, Connecticut

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

We have audited Alliance for Community Empowerment, Inc.'s 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 Alliance for Community Empowerment, Inc.'s major state programs for the year ended September 30, 2019. Alliance for Community Empowerment, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Alliance for Community Empowerment, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Alliance for Community Empowerment, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Alliance for Community Empowerment, Inc.'s compliance.

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

In our opinion, Alliance for Community Empowerment, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2019.

### **Report on Internal Control over Compliance**

Management of Alliance for Community Empowerment, Inc., is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alliance for Community Empowerment, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alliance for Community Empowerment, Inc.'s 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

We have audited the financial statements of Alliance for Community Empowerment, Inc., as of and for the year ended September 30, 2019 and have issued our report thereon dated March 19, 2020, 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 basic financial statements as a whole.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
March 19, 2020

# ALLIANCE FOR COMMUNITY ENDOWMENT, INC.

## SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2019

State Grantor/Pass-Through Grantor/Program Title	Grant Period Ending	Grant Number	State Core-CT Number	Expenditures
<b>Department of Social Services</b>				
<i>Direct:</i>				
Human Services Infrastructure - Bridgeport	9/19	17DSS1511A1	11000-DSS60000-16174	\$ 195,392
Human Services Infrastructure - Norwalk	9/19	17DSS1511A1	11000-DSS60000-16174	<u>199,258</u>
Total Department of Social Services				<u>394,650</u>
<b>Department of Children and Families</b>				
<i>Direct:</i>				
Tender Loving Child Care	6/19	15DCF0084AA	11000-DCF91100-16064	232,864
Tender Loving Child Care	6/20	16DCF0084AA	11000-DCF91100-16064	<u>75,302</u>
Total Department of Children and Families				<u>308,166</u>
<b>Office of Early Childhood</b>				
<i>Direct:</i>				
Head Start Services	6/19	810-100-11000-16101-2019-83004-170104	11000-OEC64840-16101	166,786
Head Start Services	6/19	810-100-11000-16101-2019-83004-170105	11000-OEC64840-16101	61,833
Head Start Services	6/19	810-100-11000-16101-2019-83004-170106	11000-OEC64840-16101	172,231
Head Start Services	6/20	810-100-11000-16101-2020-83004-170104	11000-OEC64840-16101	37,382
Head Start Services	6/20	810-100-11000-16101-2020-83004-170106	11000-OEC64840-16101	60,993
				<u>499,225</u>
Child Day Care	6/19	14DSS3001	11000-OEC64840-16274-83012	1,608,295
Child Day Care	6/20	15DSS3001	11000-OEC64840-16274-83012	718,655
				<u>2,326,950</u>
<i>Passed Through the City of Bridgeport:</i>				
School Readiness	6/19		11000-OEC64840-16274-83013	1,040,495
School Readiness	6/20		11000-OEC64840-16274-83013	322,631
				<u>1,363,126</u>
Total Office of Early Childhood				<u>4,189,301</u>
<b>Total State Financial Assistance</b>				<b>\$ <u>4,892,117</u></b>

The accompanying notes are an integral part of this schedule

# **ALLIANCE FOR COMMUNITY EMPOWERMENT, INC.**

## **NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Alliance for Community Empowerment, Inc., under programs of the State of Connecticut for the year ended September 30, 2019. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Alliance for Community Empowerment, Inc., it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Alliance for Community Empowerment, Inc.

#### **Basis of Accounting**

The accounting policies of the Alliance for Community Empowerment, Inc., conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified 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.

**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  
Alliance for Community Empowerment, Inc.  
Bridgeport, Connecticut

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 Alliance for Community Empowerment, Inc., which comprise the statement of financial position as of September 30, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alliance for Community Empowerment, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alliance for Community Empowerment, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Alliance for Community Empowerment, Inc.'s internal control.

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

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



## Compliance and Other Matters

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

## Purpose of This Report

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

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
March 19, 2020

# ALLIANCE FOR COMMUNITY EMPOWERMENT, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

### I. SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report 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 programs:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes        X   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 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:

State Grantor and Program	State Core-CT Number	Expenditures
Office of Early Childhood:		
Child Day Care	11000-OEC64840-16274-83012	\$ 2,326,950
School Readiness	11000-OEC64840-16274-83013	1,363,126
Department of Children and Families:		
Tender Loving Child Care	11000-DCF-91100-16064	308,166
Dollar threshold used to distinguish between type A and type B programs:		\$ 200,000

### II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

### III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.