

**NEW HAVEN INTERNATIONAL FESTIVAL
OF ARTS AND IDEAS, INC.**

Financial Statements

September 30, 2024 and 2023

**NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
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Simione Macca & Larrow^{LLP}



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Haven International Festival of Arts and Ideas, Inc.
New Haven, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Haven International Festival of Arts and Ideas, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of New Haven International Festival of Arts and Ideas, Inc. as of September 30, 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 New Haven International Festival of Arts and Ideas, 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 financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

(Continued)

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 New Haven International Festival of Arts and Ideas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 audits 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 New Haven International Festival of Arts and Ideas, 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Haven International Festival of Arts and Ideas, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of changes in net assets with donor restrictions, is presented for purposes of additional analysis 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 audits 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 changes in net assets with donor restrictions is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of New Haven International Festival of Arts and Ideas, 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 New Haven International Festival of Arts and Ideas, Inc.'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 New Haven International Festival of Arts and Ideas, Inc.'s internal control over financial reporting and compliance.

Sunione Mecca & Larrow LLP

Wallingford, Connecticut
March 27, 2025

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,534	\$ 46,481
Contributions receivable	1,479,376	1,381,374
Other receivables	327,138	301,587
Prepaid expenses	51,401	81,687
Investment	<u>68</u>	<u>39</u>
Total Current Assets	<u>1,863,517</u>	<u>1,811,168</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	453,156	387,621
Less accumulated depreciation	<u>221,714</u>	<u>151,382</u>
Net Property and Equipment	<u>231,442</u>	<u>236,239</u>
OTHER ASSETS		
Right-of-use asset, operating leases	193,321	290,840
Other assets	<u>12,185</u>	<u>12,185</u>
Total Other Assets	<u>205,506</u>	<u>303,025</u>
Total Assets	<u>\$ 2,300,465</u>	<u>\$ 2,350,432</u>

See notes to financial statements.

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 415,599	\$ 443,825
Current maturities of operating leases	98,148	96,003
Lines of credit	<u>800,000</u>	<u>750,000</u>
Total Current Liabilities	1,313,747	1,289,828
OPERATING LEASE LIABILITIES	<u>97,834</u>	<u>195,982</u>
Total Liabilities	<u>1,411,581</u>	<u>1,485,810</u>
NET ASSETS		
Without donor restrictions	68,100	372,122
With donor restrictions	<u>820,784</u>	<u>492,500</u>
Total Net Assets	<u>888,884</u>	<u>864,622</u>
Total Liabilities and Net Assets	<u>\$ 2,300,465</u>	<u>\$ 2,350,432</u>

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended September 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions:						
Corporate	\$ 301,971	\$ -	\$ 301,971	\$ 279,938	\$ -	\$ 279,938
Foundation	279,806	50,000	329,806	121,376	82,500	203,876
Government	208,090	695,000	903,090	110,704	650,000	760,704
Individual	1,376,116	740,784	2,116,900	906,228	500,000	1,406,228
Total Contributions	2,165,983	1,485,784	3,651,767	1,418,246	1,232,500	2,650,746
Admissions	251,808	-	251,808	86,375	-	86,375
Special event income	150,781	-	150,781	182,085	-	182,085
Special event expenses	(87,181)	-	(87,181)	(94,114)	-	(94,114)
Other	78,626	-	78,626	76,488	-	76,488
Net assets released from restrictions	1,157,500	(1,157,500)	-	1,355,000	(1,355,000)	-
Total Support and Revenue	3,717,517	328,284	4,045,801	3,024,080	(122,500)	2,901,580
EXPENSES						
Program costs	2,779,178	-	2,779,178	2,760,785	-	2,760,785
General and administrative	715,689	-	715,689	552,467	-	552,467
Fundraising	526,672	-	526,672	473,897	-	473,897
Total Expenses	4,021,539	-	4,021,539	3,787,149	-	3,787,149
Change in net assets	(304,022)	328,284	24,262	(763,069)	(122,500)	(885,569)
NET ASSETS, Beginning	372,122	492,500	864,622	1,135,191	615,000	1,750,191
NET ASSETS, Ending	\$ 68,100	\$ 820,784	\$ 888,884	\$ 372,122	\$ 492,500	\$ 864,622

See notes to financial statements.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended September 30, 2024 and 2023

	2024				2023			
	Program Costs	General and Administrative	Fundraising	Total	Program Costs	General and Administrative	Fundraising	Total
PERSONNEL EXPENSES								
Salaries	\$ 1,046,550	\$ 319,572	\$ 379,231	\$ 1,745,353	\$ 1,140,829	\$ 251,126	\$ 309,787	\$ 1,701,742
Fringe benefits	100,135	46,453	26,348	172,936	104,417	27,609	25,995	158,021
Payroll taxes	85,893	23,785	18,450	128,128	87,015	21,741	23,763	132,519
Total personnel expenses	<u>1,232,578</u>	<u>389,810</u>	<u>424,029</u>	<u>2,046,417</u>	<u>1,332,261</u>	<u>300,476</u>	<u>359,545</u>	<u>1,992,282</u>
OTHER EXEPENSES								
Direct artists expenses	611,472	2,660	5,818	619,950	575,907	-	-	575,907
Build out	393,396	578	-	393,974	318,244	12,938	1,064	332,246
Information technology	84,447	114,581	18,560	217,588	60,242	35,964	26,876	123,082
Marketing	201,849	455	650	202,954	266,631	1,223	-	267,854
Lease expense	67,885	20,427	20,289	108,601	17,283	8,641	8,641	34,565
Depreciation	49,232	7,033	14,067	70,332	33,460	4,779	9,560	47,799
Interest expense	-	59,939	-	59,939	-	32,257	-	32,257
Equipment and venue rental	45,413	3,984	-	49,397	47,315	2,787	-	50,102
Office supplies and expenses	15,391	16,627	17,022	49,040	17,082	32,141	10,632	59,855
Travel	37,905	9,563	711	48,179	39,636	2,064	2,516	44,216
Insurance	-	45,562	-	45,562	-	54,624	-	54,624
Professional fees	7,314	21,975	-	29,289	8,151	21,599	-	29,750
Consulting fees	-	14,215	12,150	26,365	4,442	9,211	14,000	27,653
Fundraising expenses	11,706	4,470	8,501	24,677	-	2,778	19,829	22,607
Credit card fees	13,599	261	4,170	18,030	2,170	860	2,171	5,201
Miscellaneous	6,080	3,267	-	9,347	1,400	12,052	689	14,141
Rent	686	207	205	1,098	35,810	17,905	17,904	71,619
Dues and subscriptions	225	75	500	800	750	169	470	1,389
Total other expenses	<u>1,546,600</u>	<u>325,879</u>	<u>102,643</u>	<u>1,975,122</u>	<u>1,428,524</u>	<u>251,991</u>	<u>114,352</u>	<u>1,794,867</u>
Total Functional Expenses	<u>\$ 2,779,178</u>	<u>\$ 715,689</u>	<u>\$ 526,672</u>	<u>\$ 4,021,539</u>	<u>\$ 2,760,785</u>	<u>\$ 552,467</u>	<u>\$ 473,897</u>	<u>\$ 3,787,149</u>

See notes to financial statements.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 24,262	\$ (885,569)
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	70,332	47,799
Changes in assets and liabilities:		
Contributions receivable	(98,002)	43,019
Other receivables	(25,551)	305,766
Prepaid expenses	30,286	(29,699)
Other assets	97,519	19,260
Accounts payable and accrued expenses	(28,226)	314,815
Operating lease liability	<u>(96,003)</u>	<u>(30,300)</u>
 Net Cash Used In Operating Activities	 <u>(25,383)</u>	 <u>(214,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(65,535)	(145,870)
Purchase of investment	(14,709)	(31,431)
Proceeds from sale of investment	<u>14,680</u>	<u>32,100</u>
 Net Cash Used in Investing Activities	 <u>(65,564)</u>	 <u>(145,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on line of credit	<u>50,000</u>	<u>275,000</u>
 Net decrease in cash and cash equivalents	 (40,947)	 (85,110)
 CASH AND CASH EQUIVALENTS, Beginning	 <u>46,481</u>	 <u>131,591</u>
 CASH AND CASH EQUIVALENTS, Ending	 <u><u>\$ 5,534</u></u>	 <u><u>\$ 46,481</u></u>

See notes to financial statements.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - New Haven International Festival of Arts and Ideas, Inc. (the “Organization”) was established as a not-for-profit Connecticut corporation in 1995 for the purpose of organizing, conducting and supporting a summer festival for the performing, visual, and literary arts. The Festival is held annually in New Haven, Connecticut with continuing community arts and educational programs occurring regionally on a year round basis.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis.

Basis of Presentation - In accordance with Accounting Standards Codification (“ASC”) Topic 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Organization reports information regarding their 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.

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 are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 Statements of Activities and Changes in Net Assets.

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

Cash and Cash Equivalents - The Organization includes cash on hand, and unrestricted demand deposits with financial institutions, in “Cash and Cash Equivalents” as used in the Statements of Cash Flows. The Organization also considers short-term, highly liquid investments with maturities of three months or less from the date of original acquisition to be cash equivalents. There were no cash equivalents at September 30, 2024 and 2023.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment - Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statements of Financial Position. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the Statements of Activities and Changes in Net Assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. Investment income includes all interest, dividends, and net realized and unrealized gains and losses.

Property and Equipment - It is the policy of the Organization to capitalize all expenditures for property and equipment in excess of \$1,000. Depreciation is calculated on a straight line basis over the estimated useful lives of the respective assets. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost. Depreciation expense was \$70,332 and \$47,799 for the years ended September 30, 2024 and 2023, respectively.

Leases - Effective October 1, 2022, the Organization's leases are recorded as right-of-use ("ROU") assets and corresponding liabilities on the Statement of Financial Position, measured at the net present value of future lease payments. ROU assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. At inception, leases are classified as either operating or finance. Operating lease expenses are recorded on a straight-line basis as lease expense over the non-cancelable lease term.

The Organization discounts cash flows based on the rate implicit in the lease, however, when that rate is not determinable, rather than use the Organization's incremental borrowing rate, the Organization has elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.

The Organization does not apply the recognition requirements to any lease with an original term of twelve months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases are recorded on a straight-line basis over the lease term.

Contributions - The Organization accounts for contributions, which includes government grants, in accordance with ASC Topic 958-605, *Revenue Recognition*. In accordance with ASC 958-605, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions - (Continued) Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the Organization's borrowing rate applicable to the years in which the promises are received.

Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Conditional contributions are recorded when the condition has been satisfied. Funds received prior to the satisfaction of the condition are reported as deferred revenue. Conditions satisfied in advance of fund being received are reported as a contribution receivable.

Advertising Costs - Advertising costs, which are expensed as incurred, were \$97,288 and \$100,457 in 2024 and 2023, respectively.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is exempt from State and Federal income taxes. The Internal Revenue Service has determined that the Organization is other than a private foundation.

Uncertain Tax Positions - Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. As of September 30, 2024, the Organization's tax returns generally remain subject to examination by major tax jurisdictions for the last three years.

Fair Value Measurements - The Organization follows the guidance in ASC Topic 820 *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements.

Functional Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses - (Continued)

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Fringe benefits	Time and effort
Payroll taxes	Time and effort
Direct artists expense	Type of event
Build out	Type of event
Marketing	Utility of purchase
Office supplies and expenses	Utility of purchase
Rent	Square footage
Lease expense	Square footage
Dues and subscriptions	Time and effort
Professional fees	Utility of service
Insurance	Liability and coverage
Fundraising expenses	Utility of raised funds
Equipment and venue rental	Type of event
Miscellaneous	Utility of purchase
Depreciation	Utility of assets
Travel	Time and effort
Information technology	Utility of service

Disclosure of Subsequent Events - Management has evaluated subsequent events through March 27, 2025, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the balance sheet date which would require additional adjustment to, or disclosure in, the accompanying financial statements except as noted in Notes 10 and 11.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - RECENT ACCOUNTING PRONOUNCEMENTS

Effective October 1, 2022, the Organization adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, Lease (Topic 842) and additional ASUs issued to clarify and update guidance thereon. This standard modifies lease accounting for lessees to increase transparency and comparability, and requires enhanced disclosure surrounding the amount, timing and uncertainty of cash flows arising from leasing agreements. The Organization adopted the new lease standards using the modified retrospective transition method, under which amounts in prior periods presented were not restated. Upon transition to Topic 842, the Organization has elected the package of practical expedients permitted under the transition guidance, which does not require the Organization to reassess prior conclusion regarding whether contracts are or contain a lease, lease classification, and initial direct lease costs. The Organization’s 2022 financial statements continue to be accounted for under the FASB’s Topic 840 and have not been adjusted. Upon adoption, the Organization recorded an operating lease ROU asset and lease liability of \$95,545.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Cash

The Organization maintains cash accounts in financial institutions which insure deposits up to \$250,000 with the Federal Deposit Insurance Corporation (“FDIC”). As of September 30, 2024, the aggregate cash balance on deposit at financial institutions used by the Organization did not exceed the federally insured limit.

Support and Revenue

The Organization received support from the State of Connecticut which represents 16% and 22% of total support and revenue for the years ended September 30, 2024 and 2023, respectively. In addition, there is increased financial risk because the amounts of state grant awards are not known until late during the Organization’s fiscal year. Any loss or reduction of major grants from the State of Connecticut could have significant impact on the Organization’s financial position and program services.

NOTE 4 - INVESTMENT

During 2018, the Organization opened a money market mutual fund. The balance of the investment as of September 30, 2024 and 2023 is \$68 and \$39, respectively.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - INVESTMENT (Continued)

The Organization follows the guidance contained in ASC Topic 820 *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation methodologies include, but are not limited to, discounted cash flow analysis, comparable asset analysis, third-party appraisals, third-party pricing services, and other applicable indices.

The following table presents the Organization's investments measured at fair value on a recurring basis at September 30, 2024 and 2023:

	2024			
<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual fund	\$ 68	\$ 68	\$ -	\$ -
Investments at fair value as of September 30, 2024	<u>\$ 68</u>	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ -</u>
	2023			
<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual fund	\$ 39	\$ 39	\$ -	\$ -
Investments at fair value as of September 30, 2023	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - AVAILABILITY AND LIQUIDITY

	2024	2023
Financial Assets at year end:		
Cash	\$ 5,534	\$ 46,481
Contributions receivable	1,479,376	1,381,374
Other receivables	327,138	301,587
Investment	68	39
Total financial assets	1,812,116	1,729,481
Less amounts not available to be used within one year		
Net assets with donor restriction	820,784	492,500
Less net assets with a purpose restriction to be met in less than one year	(230,000)	(365,000)
Board designated net assets	18,100	322,122
	608,884	449,622
Financial assets available to meet general expenditures over the next twelve months	\$ 1,203,232	\$ 1,279,859

The Organization plans to have sufficient financial assets to meet obligations as they come due. In addition to the financial assets available, the Organization also has access to lines of credit totaling \$800,000 and \$750,000 as of September 30, 2024 and 2023, respectively, from which \$800,000 and \$750,000 was drawn upon during 2024 and 2023; \$0 was available as of September 30, 2024 and 2023.

NOTE 6 - REVENUES

The Organization derives revenue principally from admissions to performances and sale of tickets to special events. The revenue recognition policies for each are described in further detail below:

- Ticket sales

The Organization has contracts with customers for admission to performances as well as admission to special events. Revenue is recognized at a point in time when the service is offered to the customer.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - REVENUES (Continued)

- Advertising sales

The Organization has contracts with customers for major sponsorship of large events. Revenue is recognized at a point in time when the event occurs.

The Organization's revenues do not include variable consideration. The Organization's payment terms vary by the type of services offered. Customers are billed in advance of services for performances and special events. The Organization has elected the practical expedient to not adjust the total consideration within a contract to reflect a financing component when the duration of the financing is one year or less, however, contracts do not generally include a significant financing component. The Organization's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties.

The Organization had ticket sales of \$299,838 and \$126,795 for the fiscal years ended September 30, 2024 and 2023 which are recorded at a point in time. These amounts are contained within the admissions and special event income line items on the Statements of Activities and Changes in Net Assets.

The Organization had advertising sales of \$45,204 and \$15,000 for the fiscal years ended September 30, 2024 and 2023, respectively, which are recorded at a point in time. These amounts are contained within the other line item on the Statements of Activities and Changes in Net Assets.

The Organization does not typically have any contracts greater than one year with transaction price allocated to remaining performance obligations. As of September 30, 2024, 2023, and 2022, there were no amounts receivable under these contracts, nor were any revenue amounts deferred at that time.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of September 30, 2024 and 2023:

	2024	2023
CT Department of Economic and Community Development	\$ 650,000	\$ 650,000
Eucalyptus Foundation	-	200,000
Individual donors	871,000	250,000
Less present value discounts	(99,216)	-
Other contribution receivables	57,592	281,374
Total Contributions Receivable	\$ 1,479,376	\$ 1,381,374

Contributions receivable are due as follows:

	2024	2023
Receivable in less than one year	\$ 913,592	\$ 1,341,374
Receivable in one to five years	565,784	40,000
	\$ 1,479,376	\$ 1,381,374

The portion of the contributions receivable that will be received after one year is discounted at 8.5%. During the fiscal year ended September 30, 2023, contributions receivable in the amount of \$10,000 were deemed to be uncollectible and removed from contributions receivable. These uncollected amounts are presented as a reduction of contribution revenue in the Statements of Financial Position. No contributions receivable were deemed to be uncollectible in 2024. As of September 30, 2024, management believes that all contributions receivable are fully collectible.

NOTE 8 - CONDITIONAL CONTRIBUTIONS

During the fiscal year ended September 30, 2023, the Organization received a conditional contribution to be recognized in the fiscal year ended September 30, 2024. Conditional contributions are recorded when the condition has been satisfied. The amount of conditional contributions available to the Organization as of September 30, 2024 and 2023 was \$0 and \$133,533, respectively.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LEASES

The Organization leased its office on a month-to-month basis through August 2023. The lease was amended to a three year term commencing September 1, 2023 and expiring in August 2026. Monthly lease payments are \$6,626 with an increase on the anniversary of the lease commencement.

Effective November 2022, the Organization entered into a lease for storage space through October 2024 with a monthly lease payment of \$1,885 per month subject to annual 3% increases. The agreement contains three 2 year renewal options. As of November 2022, the Organization anticipates renewing one 2 year renewal.

The Organization has noncancelable operating leases for office equipment that begin to expire in December 2024.

Total lease expense under the capitalized operating lease arrangements was \$108,601 and \$34,565 for the years ended September 30, 2024 and 2023, respectively. Short term rent expense for the years ended September 30, 2024 and 2023 was \$1,098 and \$71,619.

Cash paid for the Organization's capitalized operating leases during the years ended September 30, 2024 and 2023 was \$107,085 and \$33,420, respectively. Non cash activities involving ROU assets obtained in exchange for lease liabilities were \$322,285 for the year ended September 30, 2023, including the impact of the new lease standards.

As of September 30, 2024, the weighted average remaining lease term is 1 year 11 months and the weighted average discount rate is 4.44%. As of September 30, 2023, the weighted average remaining lease term is 2 years 11 months and the weighted average discount rate is 4.44%.

Future minimum lease payments under lease obligations are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2025	\$	105,015
2026		<u>99,916</u>
Total scheduled payments		204,931
Less imputed interest		<u>8,949</u>
Present value of net minimum lease payments		195,982
Less current portion		<u>98,148</u>
Long-term lease liabilities	\$	<u><u>97,834</u></u>

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETENTION CREDIT

The Coronavirus Aid, Relief and Economic Security Act provides for an employee retention credit (“ERC”) which is a refundable tax credit against certain employment taxes available to qualifying businesses conditioned on quarterly declines in revenues or a business interruption necessitated by a government order and support up to a defined limit per employee. During 2022, the Organization qualified for the ERC program and filed for a \$603,737 employee retention credit. During 2023, all but Q3 2021 ERC credits were collected. ERC credits receivable in the amount of \$327,184 and \$297,971 at September 30, 2024 and 2023, which are included in other receivables. Subsequent to September 30, 2024, the Q3 2021 ERC credits outstanding were collected.

NOTE 11 - LINES OF CREDIT

During 2023, the Organization entered into a \$200,000 line of credit agreement with New Haven Bank which is available through April 1, 2026. Principal is payable on demand and interest is payable monthly at the bank’s prime rate (8% as of September 30, 2024) plus 0.50% subject to a floor rate of 5.75%. This agreement is secured by assets of the Organization. There was \$200,000 outstanding on the line as of September 30, 2024 and 2023.

The Organization has a \$550,000 line of credit agreement with Webster Bank which expires on March 19, 2025. Principal is payable on demand and interest is payable monthly at the bank’s prime rate (8% as of September 30, 2024) or 5%, whichever is higher. Upon expiration, the balance outstanding on the line of credit will become a term loan, with interest and principal payable over a 5 year period. The loan will be secured by the Organization’s assets. The balance of the line of credit was \$550,000 at September 30, 2024 and 2023. The Organization is subject to a financial covenant under its line of credit with Webster Bank.

During June 2024, the Organization entered into a \$50,000 line of credit agreement with Key Bank which is payable upon demand and subject to annual review. Interest is payable monthly at the bank’s prime rate (8%) plus 9.56%. The agreement is secured by all personal property of the Organization. There was \$50,000 outstanding on the line as of September 30, 2024.

NOTE 12 - CONTINGENCY

During 2022 a complaint from a former employee was filed against the Organization. The Organization disputed the claim and defended itself accordingly. During the fiscal year ended September 30, 2024, the matter was settled with the Organization owing the former employee and the former employee’s attorney fees in the amount of \$23,000. Insurance proceeds were received to offset the settlement in the amount of \$19,744.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - WORKING CAPITAL FUND

The working capital fund is a board designated fund established in 2006. The purpose of this fund is to finance the Organization’s operations into the future, minimize external borrowing, and provide the necessary resources to fund commissioned and produced works in advance of current programming. The working capital fund balance was \$18,100 and \$322,122 at September 30, 2024 and 2023, respectively.

During the fiscal year ended September 30, 2024, the Organization launched a new board designated fund. The purpose of this fund is to provide working capital support to the Organization. Two multi-year pledges were received in the fiscal year ended September 30, 2024 resulting in \$840,000 being restricted due to time as the pledges will be collected during the next four fiscal years.

NOTE 14 - NET ASSETS

As of September 30, 2024 and 2023, the Organization’s net assets without and with restrictions consisted of the following:

	2024	2023
Net Assets Without Donor Restrictions		
Designated by the Board as		
Working Capital Funds (See Note 13)	\$ 18,100	\$ 322,122
Unrestricted	50,000	50,000
Total Net Assets Without Donor Restrictions	\$ 68,100	\$ 372,122
 Net Assets With Donor Restrictions		
Festival - 2024	\$ -	\$ 57,500
Time restricted	820,784	435,000
Total Net Assets With Donor Restrictions	\$ 820,784	\$ 492,500

NOTE 15 - RETIREMENT PLANS

The Organization has established a 403(b) retirement plan for its employees. Participants in the plan can contribute a percentage of compensation up the maximum allowed under the Internal Revenue Code. The plan also provides for matching contributions by the Organization at an amount to be determined each year by the Board of Directors. The matching contribution was 4% of compensation, which amounted to \$37,314 and \$38,245, for the years ended September 30, 2024 and 2023, respectively.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - RETIREMENT PLANS (Continued)

During 2023, a 457(b) retirement plan was established for a group of employees. Participants in the plan are eligible to receive a discretionary contribution. During the fiscal years ended September 30, 2024 and 2023, the Company made discretionary contributions totaling \$8,271 and \$5,423, respectively.

NOTE 16 - FISCAL AGENT LIABILITY

During fiscal year ended September 30, 2024, the Organization added an employee to its payroll for which the employee was paid by another organization that is in the process of obtaining their own 501(c)(3) recognition. The other organization had advanced the Organization a full year's worth of salary. As of September 30, 2024, the Organization has a liability as the fiscal agent in the amount of \$19,680, which is included in accounts payable and accrued expenses on the Statements of Financial Position.

NOTE 17 - SUPPLEMENTARY CASH FLOW INFORMATION

The Organization uses the indirect method when presenting its cash flow from operating activities in the Statements of Cash Flows. Therefore, the Organization is required to disclose the following supplementary information. Total interest paid was \$53,439 in 2024 and \$28,781 in 2023. No unrelated business income taxes were paid in 2024 and 2023.

The Organization is also required to disclose non-cash investing and financing activities not included in the Statements of Cash Flows. During the year ended September 30, 2023, the Organization acquired right of use assets for office space and equipment by entering into an operating lease and adopting ASC Topic 842 in the amount of \$322,285.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
SCHEDULE OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS
Year Ended September 30, 2024

(See Independent Auditors' Report on Supplementary Information)

	Net Assets With Donor Restrictions <u>October 1, 2023</u>	Contributions With Donor Restrictions Received <u>During 2024</u>	Contributions With Donor Restrictions Released From Restrictions <u>During 2024</u>	Net Assets With Donor Restrictions <u>September 30, 2024</u>
CONTRIBUTIONS				
Corporate	\$ -	\$ -	\$ -	\$ -
Foundation	257,500	50,000	(257,500)	50,000
Government	-	695,000	(695,000)	-
Individual	<u>235,000</u>	<u>740,784</u>	<u>(205,000)</u>	<u>770,784</u>
 TOTAL	 <u>\$ 492,500</u>	 <u>\$ 1,485,784</u>	 <u>\$ (1,157,500)</u>	 <u>\$ 820,784</u>

Simione Macca & Larrow^{LLP}



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

"On Balance, We Offer You More."

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
New Haven International Festival of Arts and Ideas, Inc.
New Haven, 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 New Haven International Festival of Arts and Ideas, Inc. (the "Organization") (a nonprofit organization) which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, 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 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 Organization'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Simione Macca & Larrow LLP

Wallingford, Connecticut
March 27, 2025



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
New Haven International Festival of Arts and Ideas, Inc.
New Haven, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the New Haven International Festival of Arts and Ideas, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Organization's major state programs for the year ended September 30, 2024. The Organization's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended September 30, 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 ("GAAS"); 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 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 Organization 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 Organization's compliance with the compliance requirements referred to above.

**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)

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 Organization's state programs.

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 Organization'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 GAAS, *Government Auditing Standards*, and the State Single Audit 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 Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *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 Organization'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 Organization'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 Organization's internal control over compliance. Accordingly, no such opinion is expressed.

**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)

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.

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 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 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 the Organization as of and for the year ended September 30, 2024, and have issued our report thereon dated March 27, 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 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.

Suzanne Macca & Larrow LLP

Wallingford, Connecticut
March 27, 2025

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2024

State Grantor/Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
General Support Operating Grant	12069-ECD46820-17072	\$ 414,511
General Support Legislative Grant	11000-ECD46820-10020	235,489
Arts Endowment Grant	35010-ECD46820-40001	<u>35,957</u>
Total State Financial Assistance		<u>\$ 685,957</u>

See notes to schedule of expenditures of state financial assistance.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2024

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of New Haven International Festival of Arts and Ideas, Inc. under programs of the State of Connecticut for the fiscal year ended September 30, 2024. 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 New Haven International Festival of Arts and Ideas, Inc., it is not intended and does not present the financial position, changes in fund balance, changes in net position, or cash flows of New Haven International Festival of Arts and Ideas, Inc.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of New Haven International Festival of Arts and Ideas, Inc. conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

The information in the Schedule of Expenditures of State Financial Assistance 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 of Expenditures of State Financial Assistance 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 of Expenditures of State Financial Assistance.

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2024

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' 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 programs:

- 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 state program included in the audit:

<u>State Grantor/Program</u>	<u>Contract Period</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
State Department of Economic and Community Development General Support Operating Grant	7/24-6/25	12069-ECD46820-17072	\$ 414,511
Dollar threshold used to distinguish between type A and type B programs			\$ 100,000

NEW HAVEN INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended September 30, 2024

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated March 27, 2025, 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*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no material weaknesses.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to State Financial Assistance Program.