

**HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.**

Independent Auditors' Report  
Financial Statements

June 30, 2021 and 2020



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Table of Contents

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Independent Auditors' Report.....	1-2
Statements of Financial Position.....	3-4
Statements of Activities .....	5
Statements of Cash Flows .....	6
Notes to the Financial Statements.....	7-16
Independent Auditors' Report on Supplementary Information.....	17
Schedule of Support and Revenue and Expense Information – CHEFA Financed Facility For the Year Ended June 30, 2021.....	18

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Human Resources Agency of New Britain, Inc.  
New Britain, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Human Resources Agency of New Britain, Inc. (the "Agency"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2021 and 2020, 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.

*Whittlesey PC*

Hartford, Connecticut  
October 28, 2021

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Financial Position

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,281,831	\$ 729,873
Grants receivable	1,208,213	901,698
Other receivables	126,901	195,905
Debt service funding held by state	384,587	383,338
Prepaid expenses	89,454	60,629
Total current assets	<u>3,090,986</u>	<u>2,271,443</u>
Property and Equipment		
Land and buildings	15,541,141	15,486,507
Leasehold improvements	645,967	645,967
Equipment	1,591,796	1,345,298
Vehicles	119,757	119,757
Construction in progress	71,548	46,370
	<u>17,970,209</u>	<u>17,643,899</u>
Less accumulated depreciation	6,230,839	5,724,066
Net property and equipment	<u>11,739,370</u>	<u>11,919,833</u>
Other Assets		
Restricted cash	<u>130,345</u>	<u>130,319</u>
Total Assets	<u>\$ 14,960,701</u>	<u>\$ 14,321,595</u>

The accompanying notes are an integral part of the financial statements.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Financial Position (continued)

June 30, 2021 and 2020

<b>LIABILITIES AND NET ASSETS</b>	<u>2021</u>	<u>2020</u>
Current Liabilities		
Current portion of bonds payable	\$ 255,000	\$ 250,000
Current portion of notes payable	42,701	41,425
Current portion of capital leases	14,107	78,553
Accounts payable and accrued expenses	575,382	353,810
Accrued payroll and vacations	612,550	523,047
Accrued interest payable	129,588	133,338
Due to funding source	16,613	16,625
Deferred revenue	1,194,685	697,280
Total current liabilities	<u>2,840,626</u>	<u>2,094,078</u>
Long-Term Liabilities		
Bonds payable, net	5,768,627	6,026,382
Notes payable, net	990,066	1,033,060
Long-term portion of capital leases	67,114	82,575
Total long-term liabilities	<u>6,825,807</u>	<u>7,142,017</u>
Total liabilities	<u>9,666,433</u>	<u>9,236,095</u>
Net Assets		
Without donor restrictions	5,250,750	5,041,982
With donor restrictions	43,518	43,518
Total net assets	<u>5,294,268</u>	<u>5,085,500</u>
Total Liabilities and Net Assets	<u>\$ 14,960,701</u>	<u>\$ 14,321,595</u>

The accompanying notes are an integral part of the financial statements.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Activities

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Government grants	\$ 14,038,685	\$ 11,644,007
Program income	1,150,643	902,786
Nongovernmental grants and contributions	821,863	919,421
Bond debt service funding	472,527	432,974
Rental income	63,358	139,657
Other income	61,155	7,133
Total revenues, gains and other support	<u>16,608,231</u>	<u>14,045,978</u>
<b>Expenses</b>		
Salaries and benefits	8,738,567	7,792,319
Direct client assistance	4,166,702	3,437,627
Professional and contracted services	624,199	849,759
Occupancy	969,344	814,836
Depreciation	506,773	513,156
Interest	321,168	323,426
Materials and supplies	879,999	419,644
Other	192,711	188,799
Total expenses	<u>16,399,463</u>	<u>14,339,566</u>
Change in net assets without donor restrictions	208,768	(293,588)
Change in net assets with donor restrictions	<u>-</u>	<u>-</u>
Total change in net assets	208,768	(293,588)
Net assets - beginning of year	<u>5,085,500</u>	<u>5,379,088</u>
Net assets - end of year	<u>\$ 5,294,268</u>	<u>\$ 5,085,500</u>

The accompanying notes are an integral part of the financial statements.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Cash Flows

June 30, 2021 and 2020

	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 208,768	\$ (293,588)
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	506,773	513,156
Amortization	12,093	12,093
(Increase) decrease in operating assets:		
Grants receivable	(306,515)	(67,536)
Other receivables	69,004	(62,347)
Debt service funding held by state	(1,249)	(6,400)
Prepaid expenses	(28,825)	33,358
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	221,572	24,464
Accrued payroll and vacations	89,503	55,809
Accrued interest payable	(3,750)	(3,600)
Due to funding source	(12)	-
Deferred revenue	497,405	370,253
Net change in cash from operating activities	<u>1,264,767</u>	<u>575,662</u>
<b>Cash flows from investing activities</b>		
Purchases or improvement of property and equipment	(326,310)	(89,926)
Net change in cash from investing activities	<u>(326,310)</u>	<u>(89,926)</u>
<b>Cash flows from financing activities</b>		
Proceeds from note payable	-	140,372
Principal repayments on capital leases payable	(79,907)	-
Principal repayments on bonds and notes payable	(306,566)	(445,098)
Net change in cash from financing activities	<u>(386,473)</u>	<u>(304,726)</u>
<b>Net change in cash and cash equivalents</b>	551,984	181,010
Cash, cash equivalents and restricted cash - beginning of year	<u>860,192</u>	<u>679,182</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 1,412,176</u>	<u>\$ 860,192</u>
<b>Supplemental Information:</b>		
Cash paid during the year for		
Interest	<u>\$ 317,418</u>	<u>\$ 319,826</u>

The accompanying notes are an integral part of the financial statements.



# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Notes to the Financial Statements

June 30, 2021 and 2020

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

Human Resources Agency of New Britain, Inc. (the “Agency”), a community action agency, was established in 1964 as a Connecticut nonstock, nonprofit corporation whose purpose is to provide the economically disadvantaged in the greater New Britain, Connecticut, area with various social programs and services including food, training, education, child care, shelter and energy-related assistance.

#### Basis of Accounting and Presentation

The financial statements of the Agency have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Agency 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 Agency. These net assets may be used at the discretion of the Agency’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 Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### 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 certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

#### Cash, Cash Equivalents and Restricted Cash

The Agency considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, exclusive of restricted cash. Restricted cash consists of cash restricted by the Connecticut Health and Educational Facilities Authority (CHEFA) bond indenture for property renewal and replacements.

#### Property and Equipment

Property and equipment acquisitions and improvements thereon that exceed \$2,500 are capitalized at cost and depreciated on the straight-line basis over their estimated useful lives. Leasehold improvements are amortized over the life of the improvement or the remaining lease term, whichever is shorter. Repairs and maintenance are charged to expense as incurred.

## **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Funding sources retain a reversionary right to certain property acquired with grant funds, although no grant programs are expected to end prior to the end of the properties' required useful lives that would require return of such assets. In connection with a State of Connecticut grant in the amount of \$345,000, for which the Agency received the final payment on September 10, 2015 forgivable liens have been placed on the real property of the Agency. The period of forgiveness will be forgiven at a rate of ten percent per year from the date of the final payment. If the Agency were to not fulfill the requirements of this grant, a liability for the remaining balance of the lien would occur. The amount of the remaining lien was \$138,000 and \$172,500 at June 30, 2021 and 2020.

### Deferred Financing Costs

Deferred financing costs represent costs incurred in obtaining bond financing. Debt issuance costs are presented as a direct deduction of the carrying amount of the debt. These costs are being amortized on a straight-line basis over the term of the related bonds. Amortization of debt issuance costs is included in interest expense. Amortization expense (interest) for each of the years ended June 30, 2021 and 2020 was \$12,093. Amortization expense (interest) for each of the next five years is \$12,093.

### Grants and Contracts

The Agency receives grant and contract funding from various government agencies and private foundations to provide a variety of program services to the public conditioned on specific requirements included in the agreements and/or incurring allowable qualifying expenses. These program services range from childcare and family programs to social services and fuel assistance. Such grants and contracts are nonreciprocal transactions and include conditions stipulated by the granting agencies and are, therefore, accounted for as conditional contributions. Revenues from such grants and contracts are recognized as conditions are satisfied, primarily as expenses are incurred.

Grants receivable represent expenditures of funds in accordance with grant stipulations or fulfillment of contract terms for which reimbursement has not yet been received by the grantor agency. A provision for doubtful accounts has not been established as of June 30, 2021 and 2020 as management considers all accounts to be collectible based upon contractual agreements and a favorable history of collection.

A portion of the Agency's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. The Agency received cost-reimbursement grants that have not been recognized at June 30, 2021 and 2020 because qualifying expenses have not yet been incurred, with advance payments of \$1,194,685 and \$697,280 recognized in the statements of financial position as a deferred revenue at June 30, 2021 and 2020, respectively. The Agency has not been informed by any agencies of any funds which are required to be returned

### Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor 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 consolidated statements of activities as net assets released from restrictions.

## **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### Program Service Fees

The Agency has multiple revenue streams that are accounted for as reciprocal exchange transactions, including program service fees received from clients in exchange for, education, childcare and other program services.

### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in Note 12. Accordingly, costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses are allocated based on time and effort, with the exception of depreciation, which is based on square footage and time and effort.

### Income Taxes

The Agency is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code as a public charity.

### Fair Value of Financial Instruments

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

### Financial Instruments Carried at Fair Value

The carrying value of bonds payable approximates its fair value based on quoted prices for similar bond issues and are valued at Level 2 inputs.

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Instruments Not Carried at Fair Value

The Agency’s major financial instruments not carried at fair value consist of cash and cash equivalents, grants receivable, accounts payable, line of credit and notes payable. The carrying values of cash and cash equivalents, restricted cash, grants receivable and accounts payable approximate their fair values due to the short-term nature of these items. It is impracticable to determine the fair value of the Agency’s notes payable due to their lack of marketability.

Subsequent Events

In preparing these financial statements, the Agency has evaluated subsequent events through October 28, 2021, which represents the date the financial statements were available to be issued.

**NOTE 2 – CONCENTRATIONS**

Cash, Cash Equivalents and Restricted Cash

The Agency maintained deposits in financial institutions that exceeded federal depository insurance limits. However, management regularly monitors the financial strength of its depository institutions and, based on that monitoring, believes that the Agency’s deposits are not subject to significant credit risk. Cash and cash equivalents were as follows at June 30,:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,281,831	\$ 729,873
Restricted cash	130,345	130,319
	<u>\$ 1,412,176</u>	<u>\$ 860,192</u>

Government Grants and Contracts

Based on historical experience, management believes grant and contract receivables represent negligible credit risk. Therefore, no allowance is generally maintained for grants and contracts receivable. The Agency receives a significant portion of its total support from the United States Department of Health and Human Services and the State of Connecticut Department of Social Services (“DSS”). As with all government funding, these grants and contracts may not be renewed or may be renewed in reduced amounts in future years. In addition, grants and contracts currently in effect are subject to reduction prior to the end of the grant or contract period. Any significant reduction in these grants and contracts could have an adverse effect on the Agency’s program services.

### NOTE 3 – CAPITAL LEASES

Capital leases consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Lease payable in monthly installments through February 1, 2026 at an annual interest rate of 4.35%. The fourth payment on June 30, 2020 was for \$6,546, and the three preceding payments and every payment thereafter is for \$111.	\$ 5,417	\$ 6,569
Lease payable in monthly installments through May 15, 2026 at an annual interest rate of 4.35%. The fourth payment on September 15, 2020 was for \$5,684, and the three preceding payments and every payment thereafter is for \$102.	5,333	11,846
Lease payable in monthly installments through May 15, 2020 at an annual interest rate of 4.35%. The fourth payment on September 15, 2020 was for \$61,200, and the three preceding payments and every payment thereafter is for \$1,349.	<u>70,471</u>	<u>142,713</u>
	81,221	161,128
Less current portion	<u>14,107</u>	<u>78,553</u>
Long-term portion	<u>\$ 67,114</u>	<u>\$ 82,575</u>

Maturities of capital leases for the next five years and thereafter are as follows:

#### Year Ending June 30:

2022	18,746
2023	18,746
2024	18,746
2025	18,746
2026	<u>16,852</u>
Total minimum lease payments	91,836
Less amount representing interest	<u>10,615</u>
Present value of lease payments	81,221
Less current portion	<u>14,107</u>
Long term portion	<u>\$ 67,114</u>

#### NOTE 4 – BONDS PAYABLE

Bonds payable consisted of the following as of June 30, 2021 and 2020:

	2021		2020	
	Principal	Unamortized Debt Issuance Costs	Principal	Unamortized Debt Issuance Costs
CHEFA refunding bonds payable, maturing through 2036, original amount \$7,360,000, with interest ranging from 1.5%-5.0%	\$ 5,975,000	\$ 181,403	\$ 6,225,000	\$ 193,497
Unamortized bond premium	230,030	-	244,879	-
Total	6,205,030	\$ 181,403	6,469,879	\$ 193,497
Less current portion	255,000		250,000	
Long-term portion	5,950,030		6,219,879	
Less unamortized deferred financing costs	(181,403)		(193,497)	
Bonds payable - long-term, net	\$ 5,768,627		\$ 6,026,382	

DSS funds the majority of the debt service related to the bond issuance through its Debt Service Fund and a Contract Intercept agreement with the Agency. This revenue is presented in the accompanying statements of activities as bond debt service funding. Debt payments funded by DSS and intercepted from Agency grants are held by DSS until debt service payments are due on the bonds. Amounts held by DSS are reported as debt service funding held by state in the accompanying statements of financial position. These amounts are released by DSS on July 1 of the following fiscal year and remitted to the bondholders on behalf of the Agency.

Maturities of bonds payable for the next five years and thereafter are as follows:

#### Year Ending June 30:

2022	\$ 255,000
2023	279,849
2024	299,849
2025	314,849
2026	329,849
Thereafter	4,725,634
	<u>\$ 6,205,030</u>

## NOTE 5 – NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Mortgage of \$975,000, payable in monthly installments of \$6,270 through August 1, 2038, at which time the remaining balance of \$605,919 is due, including interest at 4.625%, secured by real property	\$ 885,837	\$ 918,699
Note of \$140,372, payable in monthly installments of \$836 through May 2030, at which time the remaining balance is due including interest at 3.75%, secured by real property	135,193	140,372
Note of \$45,979, payable in monthly installments of \$677 through July 2022, including interest at 1.90%, secured by a vehicle	<u>11,737</u>	<u>15,414</u>
	1,032,767	1,074,485
Less current portion	<u>42,701</u>	<u>41,425</u>
Notes payable - long-term	<u>\$ 990,066</u>	<u>\$ 1,033,060</u>

Expected maturities of notes payable for the next five years and thereafter are as follows:

2022	\$ 42,701
2023	41,935
2024	43,073
2025	45,202
2026	40,142
Thereafter	<u>819,714</u>
	<u>\$ 1,032,767</u>

## NOTE 6 – LINE OF CREDIT

The Agency has an available line of credit of \$1,250,000, which expires May 1, 2022 and bears interest at the Wall Street Journal Prime Rate plus .25%. The interest rate at June 30, 2021 and 2020 was 5.25% and 4.50%, respectively. The line is secured by substantially all Agency assets and is subject to certain financial covenants. No amounts were outstanding under the line as of June 30, 2021 and 2020.

**NOTE 7 – NET ASSETS**

Net assets with donor restrictions of \$43,518 as of June 30, 2021 and 2020, are available for use in the assets for independence program. No net assets were released for this program during the years ended June 30, 2021 and 2020.

**NOTE 8 – OPERATING LEASES**

The Agency leases various locations and equipment under leases that expire through June 2023. Total rent expense was \$76,112 and \$75,215 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year are as follows:

Year Ending June 30:

2022	\$	47,178
2023		47,178
2024		47,178
2025		47,178
	\$	<u>188,712</u>

**NOTE 9 – CONTINGENCIES**

The Agency participates in federal and state-assisted grant programs. These grants are subject to audits by grantor agencies, which could result in disallowed costs due back to the grantor. The Agency has recognized all known audit liabilities.

**NOTE 10 – EMPLOYEE BENEFIT PLAN**

The Agency sponsors a defined contribution 401(k) profit-sharing plan covering substantially all employees. All full-time employees are eligible to participate upon hire and will be eligible for profit sharing after one year of service, as defined, and attaining the age of 18. The Agency matches employees' contributions up to 3% of their compensation. Agency contributions totaled \$63,789 and \$68,402 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 11 – RISKS AND UNCERTAINTIES**

The global outbreak of COVID-19 has disrupted various Agency activities. The financial impact has been modest to date, but there is considerable uncertainty around the duration of the pandemic and its future financial impact may be different than the experience to date.



**NOTE 12 – EXPENSES BY FUNCTION**

Expenses by function are as follows for the year ended June 30, 2021 and 2020:

	2021		
	Program	Management and General	Total
Salaries and benefits	\$ 8,083,091	\$ 655,476	\$ 8,738,567
Direct client assistance	4,166,702	-	4,166,702
Professional and contracted services	496,118	128,081	624,199
Occupancy	798,374	170,970	969,344
Depreciation	417,335	89,438	506,773
Interest	317,735	3,433	321,168
Materials and supplies	856,027	23,972	879,999
Other	138,305	54,406	192,711
Total expenses	<u>\$ 15,273,687</u>	<u>\$ 1,125,776</u>	<u>\$ 16,399,463</u>

	2020		
	Program	Management and General	Total
Salaries and benefits	\$ 7,181,299	\$ 611,020	\$ 7,792,319
Direct client assistance	3,437,627	-	3,437,627
Professional and contracted services	492,906	356,853	849,759
Occupancy	698,276	116,560	814,836
Depreciation	420,624	92,532	513,156
Interest	323,101	325	323,426
Materials and supplies	384,581	35,063	419,644
Other	127,555	61,244	188,799
Total expenses	<u>\$ 13,065,969</u>	<u>\$ 1,273,597</u>	<u>\$ 14,339,566</u>

### NOTE 13 – LIQUIDITY AND AVAILABILITY

The following represents the Agency’s financial assets available to meet general expenditures over the next twelve months at June 30,:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,281,831	\$ 729,873
Grants receivable	1,208,213	901,698
Other receivables	<u>126,901</u>	<u>195,905</u>
Total financial assets	<u>2,616,945</u>	<u>1,827,476</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>43,518</u>	<u>43,518</u>
	<u>43,518</u>	<u>43,518</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,573,427</u>	<u>\$ 1,783,958</u>

The Agency’s liquidity goal is to maintain the ratio of current assets over current liabilities to be greater than 1 and to maintain 30 days or more of available cash. The Agency has a line of credit of \$1,250,000 that is available to use.

INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Human Resources Agency of New Britain, Inc.  
New Britain, Connecticut

We have audited the financial statements of Human Resources Agency of New Britain, Inc., as of and for the year ended June 30, 2021, and our report thereon dated October 28, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of support and revenue and expense information - CHEFA financed facility for the year ended June 30, 2021 is presented for the purpose of additional analysis and is not a required part of the basic 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 basic financial statements. The schedule of support and revenue and expense information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 support and revenue and expense information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Hartford, Connecticut  
October 28, 2021

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Schedule of Support and Revenue and Expense Information

### CHEFA Financed Facility and all Other Activities

For the year ended June 30, 2021

	<u>CHEFA Financed</u>	<u>All Other Activities</u>	<u>Total</u>
<b>Changes in Net Assets Without Donor Restrictions</b>			
Government grants	\$ 4,744,020	\$ 9,294,665	\$ 14,038,685
Program income	966,208	184,435	1,150,643
Nongovernmental grants and contributions	30,600	791,263	821,863
Bond debt service funding	472,527	-	472,527
Rental income	-	63,358	63,358
Other income	101	61,054	61,155
Total revenues, gains and other support	<u>6,213,456</u>	<u>10,394,775</u>	<u>16,608,231</u>
<b>Expenses</b>			
Salaries and benefits	3,967,559	4,771,008	8,738,567
Direct client assistance	190	4,166,512	4,166,702
Professional and contracted services	299,339	324,860	624,199
Occupancy	520,071	449,273	969,344
Depreciation	380,213	126,560	506,773
Interest	260,560	60,608	321,168
Materials and supplies	372,438	507,561	879,999
Other	95,163	97,548	192,711
Total expenses	<u>5,895,533</u>	<u>10,503,930</u>	<u>16,399,463</u>
Change in net assets without donor restrictions	<u>\$ 317,923</u>	<u>\$ (109,155)</u>	<u>\$ 208,768</u>

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