

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

Federal Single Audit Report

June 30, 2020



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

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 Trustees of  
Human Resources Agency of New Britain, Inc.

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 consolidated financial statements of Human Resources Agency of New Britain, Inc. (a nonprofit Agency), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 28, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Agency'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
October 28, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

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

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

We have audited Human Resources Agency of New Britain, Inc.'s (the "Agency") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2020. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Agency as of and for the year ended June 30, 2020 and have issued our report thereon dated October 28, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Hartford, Connecticut  
October 28, 2020

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Schedule of Expenditures of Federal Awards

June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	Grant Period Ended	Pass-Through Entity Grant Number	Federal CFDA Number	Passed Through to subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>					
<i>Passed Through the Connecticut Department of Education:</i>					
Child and Adult Care Food Program	9/30/2019	089 AOC	10.558	-	73,489
Child and Adult Care Food Program	9/30/2020	089 AOC	10.558	-	193,730
				-	267,219
<i>Passed Through the Connecticut Association for Community Action:</i>					
Supplemental Nutrition Assistance Program	9/30/2019	N/A	10.561		2,868
Supplemental Nutrition Assistance Program	9/30/2020	N/A	10.561	-	26,661
				-	296,748
<b>U.S. Department of Housing and Urban Development</b>					
<i>Passed Through the City of Bristol:</i>					
Community Development Block of Grants/Entitlement Grants	6/30/2020	N/A	14.218	-	20,000
<i>Passed Through the City of New Britain:</i>					
Community Development Block of Grants/Entitlement Grants	6/30/2020	B-19-MC-09-0008	14.218	-	10,000
				-	30,000
<i>Passed Through the City of Hartford:</i>					
Housing Opportunities for Persons with AIDS	6/30/2020	20.91.07	14.241	-	169,005
<i>Passed Through the City of New Britain:</i>					
Home Investment Partnerships Program	6/30/2020	M-19-MC-09-0008	14.239	-	40,231
Total U.S. Department of Housing and Urban Development				-	239,236
<b>U.S. Department of Labor</b>					
<i>Passed Through Capital Workforce Partners:</i>					
WIOA Youth Activities	6/30/2020	13027	17.259	-	192,201
YouthBuild	6/30/2019	11041	17.274	-	14,262
<b>Total U.S. Department of Labor</b>				-	206,463

See accompanying notes to the Schedule of Expenditures of Federal Awards.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Schedule of Expenditures of Federal Awards (continued)

For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	Grant Period Ended	Pass-Through Entity Grant Number	Federal CFDA Number	Passed Through to subrecipients	Total Federal Expenditures
<b>U.S. Department of the Treasury</b>					
<i>Direct:</i>					
Volunteer Income Tax Assistance (VITA) Matching Grant Program	6/30/2020	19VITA0135	21.009	-	62,400
<b>U.S. Department of Justice</b>					
<i>Passed Through the Connecticut Judicial Branch:</i>					
Crime Victim Advocacy	6/30/2020	03-1600-24	16.575	-	132,685
<b>U.S. Department of Health and Human Services</b>					
<i>Direct:</i>					
Head Start	6/30/2020	01CH10014-03-00	93.600	-	2,809,342
Head Start - Covid	6/30/2020		93.600	-	6,168
				-	2,815,510
<i>Passed Through North Central Area Agency on Aging, Inc.:</i>					
Special Programs for the Aging - Title III - Part B	9/30/2020	4102	93.044	-	740
Special Programs for the Aging - Title III - Part B	9/30/2020	4102	93.044	-	4,860
Special Programs for the Aging - Title III - Part B	9/30/2019	4200	93.044	-	1,805
Special Programs for the Aging - Title III - Part B	9/30/2020	4200	93.044	-	5,170
Special Programs for the Aging - Title III - Part B	9/30/2019	4133	93.044	-	825
Special Programs for the Aging - Title III - Part B	9/30/2020	4133	93.044	-	700
				-	14,100
<i>Passed Through the Connecticut Department of Social Services:</i>					
Low-Income Home Energy Assistance	9/30/2019	18DSS4301NL	93.568	-	66,111
Low-Income Home Energy Assistance	9/30/2020	18DSS4301NL	93.568	-	314,845
Low-Income Home Energy Assistance	9/30/2019	18DSS4301NL	93.568	-	14,408
Low-Income Home Energy Assistance	9/30/2020	18DSS4301NL	93.568	-	49,224
Low-Income Home Energy Assistance	9/30/2019	18DSS4301NL	93.568	-	156,085
Low-Income Home Energy Assistance	9/30/2020	18DSS4301NL	93.568	-	3,112,914
Low-Income Home Energy Assistance	9/30/2019	18DSS4301NL	93.568	-	42,535
Low-Income Home Energy Assistance	9/30/2020	18DSS4301NL	93.568	-	2,921
				-	3,759,043
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	77,706
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	162,169
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	23,124
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	11,386
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	12,810
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	13,858
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	11,386
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	34,979
Community Services Block Grant	9/30/2020	19DSS1501NL	93.569	-	24,618
Community Services Block Grant	9/30/2019	16DSS151NL	93.569	-	53,016
Community Services Block Grant	9/30/2019	16DSS151NL	93.569	-	51,803
				-	476,855
Social Services Block Grant H.S I.	9/30/2020	19DSS1501NL	93.667	-	80,700

See accompanying notes to the Schedule of Expenditures of Federal Awards.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Schedule of Expenditures of Federal Awards (continued)

For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	Grant Period Ended	Pass-Through Entity Grant Number	Federal CFDA Number	Passed Through to subrecipients	Total Federal Expenditures
<i>Passed Through the Connecticut Association for Community Action:</i>					
Social Services Block Grant	9/30/2019	00891FBSBG01	93.667	-	35,965
Social Services Block Grant	9/30/2020	00891FBSBG01	93.667	-	93,299
				<u>-</u>	<u>129,264</u>
<i>Passed Through the Connecticut Department of Public Health:</i>					
HIV Care Formula Grants	3/31/2021	2017-0119-03	93.917	-	25,610
				<u>-</u>	<u>25,610</u>
<i>Passed Through the City of Hartford:</i>					
HIV Care Formula Grants	2/29/2020	HHS2019-52J	93.917	-	9,753
HIV Care Formula Grants	2/29/2020	HHS2019-52J	93.917	-	28,532
HIV Care Formula Grants	2/28/2021	HHS2020-39J	93.917	-	6,710
HIV Care Formula Grants	2/28/2021	HHS2020-39J	93.917	-	9,300
HIV Care Formula Grants	3/31/2020	HHS2020-39J	93.917	-	3,392
				<u>-</u>	<u>57,687</u>
Total U.S. Department of Health and Human Services				<u>-</u>	<u>7,358,769</u>
<b>U.S. Department of Homeland Security</b>					
<i>Passed Through the United Way of Central and Northeastern Connecticut</i>					
Emergency Food and Shelter National Board Program	1/31/2020	143800-058	97.024	-	13,588
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$ 8,309,889</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Notes to the Schedule of Expenditures of Federal Awards

June 30, 2020

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### **NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Human Resources Agency of New Britain, Inc. (the Agency) under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

### **NOTE 3 - INDIRECT COST RECOVERY**

The Agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Schedule of Federal Findings and Questioned Costs

For the Year Ended June 30, 2020

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### I. SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements were audited in accordance with GAAP:

*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

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes   X   no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)?

\_\_\_\_\_ yes   X   no

#### Identification of Major Programs

<u>CFDA #</u>	<u>Federal Grantor Pass-Through Entity/ Program Title</u>
	<b>U.S. Department of Health and Human Services</b>
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs

\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no

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

Schedule of Federal Findings and Questioned Costs *(Continued)*

For the Year Ended June 30, 2020

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**II. FINANCIAL STATEMENT FINDINGS**

No matters are reported.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters are reported.

**Headquarters**

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