

HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

State Single Audit Report

June 30, 2020



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HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

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June 30, 2020

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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
Human Resources Agency of New Britain, Inc.
New Britain, 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 Human Resources Agency of New Britain, Inc. (the "Agency"), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and cash flows for the year then ended, and the related notes to the 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 financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 result 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, CT
October 28, 2020

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
Human Resources Agency of New Britain, Inc.
New Britain, Connecticut

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about 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 unmodified opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major State 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 an material effect on each of its major state 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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of 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 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.



Hartford, CT
October 28, 2020

HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2020

State Grantor/Pass-Through Grantor/Program Title	Grant Period Ending	Grant Number	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Labor					
<i>Passed Through Capital Workforce Partners:</i>					
Connecticut's Youth Employment Program	9/30/2019	12006	11000-DOL40000-12205	\$ -	\$ 235,706
Total Department of Labor				-	235,706
Department of Public Health					
<i>Direct:</i>					
HIV Services (Ryan White Part B)	3/31/2020	2017-0119	12004-DPH48500-12236	-	166,113
Total Department of Public Health				-	166,113
Department of Social Services					
<i>Direct:</i>					
Human Services Infrastructure (HSI)	9/30/2020	19DSS1501NL	11000-DSS60000-16174	-	180,211
Human Services Infrastructure (HSI) - New Britain	9/30/2019	16DSS1511NL	11000-DSS60000-16174	-	47,489
Human Services Infrastructure (HSI) - Bristol	9/30/2019	16DSS1511NL	11000-DSS60000-16174	-	33,557
Hispanic Programs (HHD) - Hurricane Evacuees	6/30/2020	19DSS1301NL	11000-DSS60000-17029/16118	-	40,320
<i>Passed Through Connecticut Association for Community Action:</i>					
Community Services	10/31/2020		11000-DSS60000-16160	-	4,803
Total Department of Social Services				-	306,380
Department of Children and Families					
<i>Passed Through Wheeler Clinic:</i>					
Differential Response System	6/30/2020		11000-DCF91100-12515	-	155,734
Total Judicial Branch				-	155,734
Judicial Branch					
<i>Direct:</i>					
Youth Services Prevention (YSP)	6/30/2020	8181-34	11000-JUD96114-12559-087	-	50,000
Total Judicial Branch				-	50,000
Office of Early Childhood					
<i>Passed Through the City of New Britain:</i>					
School Readiness Quality Enhancement	6/30/2020		11000-OEC64845-16158	-	3,200
School Readiness in Priority School Districts	6/30/2020	089-000	11000-OEC64840-16274-83014	-	1,121,397
<i>Direct:</i>					
Child Day Care (CDC)		18OECDC01HRA	11000-OEC64840-16274-83012	-	852,795
Head Start Services Grant Program and Head Start Link		11000-16101-2019-83004	11000-OEC64840-16101	-	154,254
Head Start Innovative Enhancement		11000-16101-2019-83004	11000-OEC64840-16101	-	237,240
Total Office of Early Childhood				-	2,368,886
Department of Transportation					
<i>Passed Through the City of Bristol:</i>					
ADA Dial-A-Ride			12001-DOT57000-12379	-	51,299
Total Department of Transportation				-	51,299
Total State Financial Assistance				\$ -	\$ 3,334,118

See accompanying notes to the schedule.

HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

Notes to Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Human Resources Agency of New Britain, Inc. (the “Agency”) under programs of the State of Connecticut for the year ended June 30, 2020. 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 Agency, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the Agency. These financial assistance programs fund several programs including human services and early childhood education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the Schedule is presented based on regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule 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.

HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' opinion issued: *Unmodified*

Internal control over financial reporting:

- Material weakness identified ___yes no
- Significant deficiency identified? ___yes none reported

Noncompliance material to financial statements noted? ___yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ___yes no
- Significant deficiency(ies) identified? ___yes none reported

Type of auditors' 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 no

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Office of Early Childhood		
Child Day Care (CDC)	11000-OEC64840-16274-83012	852,795
Head Start Services Grant Program and Head Start Link	11000-OEC64840-16101	154,254
Head Start Innovative Enhancement	11000-OEC64840-16101	237,240
Department of Labor		
<i>Passed Through Capital Workforce Partners:</i>		
Connecticut's Youth Employment Program	11000-DOL40000-12205	235,706
Department of Children and Families		
<i>Passed Through Wheeler Clinic:</i>		
Differential Response System	11000-DCF91100-12515	155,734
Department of Social Services		
Hispanic Programs (HHD) - Hurricane Evacuees	12004-DPH48500-12236 11000-DSS60000-17029/16118	40,320
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2020

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

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