

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

Independent Auditors' Report  
Financial Statements

June 30, 2023 and 2022



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# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the financial statements of Human Resources Agency of New Britain, Inc. which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Human Resources Agency of New Britain, Inc. as of June 30, 2023 and 2022, 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 the financial audits under *Government Auditing Standards*, issued 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 Human Resources Agency of New Britain, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibility 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.

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 Human Resources Agency of New Britain, 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 Statement***

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, including omissions, 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, 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 Human Resources Agency of New Britain, 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Human Resources Agency of New Britain, 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Hartford, Connecticut  
November 15, 2023

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 2,145,455	\$ 2,526,364
Grants receivable	1,190,829	1,588,629
Other receivables	144,117	105,880
Debt service funding held by state	401,618	388,212
Prepaid expenses	88,553	89,534
Total current assets	<u>3,970,572</u>	<u>4,698,619</u>
Property and Equipment		
Land and buildings	17,524,364	15,655,007
Leasehold improvements	645,967	645,967
Equipment	1,909,517	1,796,797
Vehicles	119,757	119,757
Construction in progress	152,040	783,214
	<u>20,351,645</u>	<u>19,000,742</u>
Less accumulated depreciation	7,314,210	6,748,888
Net property and equipment	<u>13,037,435</u>	<u>12,251,854</u>
Other Assets		
Restricted cash	<u>134,789</u>	<u>130,435</u>
Total Assets	<u>\$ 17,142,796</u>	<u>\$ 17,080,908</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Current portion of bonds payable	\$ 285,000	\$ 265,000
Current portion of notes payable	53,156	44,729
Current portion of finance leases	15,387	14,733
Accounts payable and accrued expenses	657,169	641,101
Accrued payroll and vacations	468,969	532,689
Accrued interest payable	116,588	123,213
Due to funding source	203,402	35,727
Refundable advances	1,275,234	2,131,396
Total current liabilities	<u>3,074,905</u>	<u>3,788,588</u>
Long-Term Liabilities		
Bonds payable, net	5,213,116	5,500,872
Notes payable, net	1,096,900	945,030
Finance leases, net	34,106	50,969
Total long-term liabilities	<u>6,344,122</u>	<u>6,496,871</u>
Total liabilities	<u>9,419,027</u>	<u>10,285,459</u>
Net Assets		
Without donor restrictions	7,680,251	6,751,931
With donor restrictions	43,518	43,518
Total net assets	<u>7,723,769</u>	<u>6,795,449</u>
Total Liabilities and Net Assets	<u>\$ 17,142,796</u>	<u>\$ 17,080,908</u>

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

# HUMAN RESOURCES AGENCY OF NEW BRITAIN, INC.

## Statements of Activities

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Revenues, gains and other support:</b>		
Government grants	\$ 20,415,064	\$ 20,219,756
Program income	1,119,273	1,670,601
Nongovernmental grants and contributions	1,199,026	1,058,488
Bond debt service funding	434,261	428,574
Rental income	67,491	54,686
Other income	162,094	31,012
Total revenues, gains and other support	<u>23,397,209</u>	<u>23,463,117</u>
<b>Expenses</b>		
Salaries and benefits	10,624,616	9,571,395
Direct client assistance	7,248,297	8,683,262
Professional and contracted services	1,377,706	744,707
Occupancy	1,244,175	1,007,965
Depreciation	565,321	518,049
Interest	310,185	299,381
Materials and supplies	782,540	885,751
Other	316,049	251,426
Total expenses	<u>22,468,889</u>	<u>21,961,936</u>
Change in net assets	928,320	1,501,181
Net assets - beginning of year	<u>6,795,449</u>	<u>5,294,268</u>
Net assets - end of year	<u>\$ 7,723,769</u>	<u>\$ 6,795,449</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, 2023 and 2022

	2023	2022
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 928,320	\$ 1,501,181
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	565,321	518,049
Amortization	12,094	12,093
(Increase) decrease in operating assets:		
Grants receivable	397,800	(380,416)
Other receivables	(38,237)	21,021
Debt service funding held by state	(13,406)	(3,625)
Prepaid expenses	981	(80)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	16,069	65,717
Accrued payroll and vacations	(63,720)	(79,858)
Accrued interest payable	(6,625)	(6,375)
Due to funding source	167,675	19,114
Refundable advances	(856,162)	936,711
Net change in cash from operating activities	1,110,110	2,603,532
<b>Cash flows from investing activities</b>		
Purchases or improvement of property and equipment	(1,350,903)	(1,030,533)
Net change in cash from investing activities	(1,350,903)	(1,030,533)
<b>Cash flows from financing activities</b>		
Proceeds from note payable	210,000	-
Principal repayments on finance leases payable	(16,209)	(15,519)
Principal repayments on bonds and notes payable	(329,553)	(312,857)
Net change in cash from financing activities	(135,762)	(328,376)
<b>Net change in cash and cash equivalents</b>	(376,555)	1,244,623
Cash, cash equivalents and restricted cash - beginning of year	2,656,799	1,412,176
Cash, cash equivalents and restricted cash - end of year	\$ 2,280,244	\$ 2,656,799
<b>Supplemental Information:</b>		
Cash paid during the year for		
Interest	\$ 303,560	\$ 293,006

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, 2023 and 2022

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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 \$69,000 and \$103,500 at June 30, 2023 and 2022.

### 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, 2023 and 2022 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, 2023 and 2022 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 refundable advances in the statements of financial position. The Agency received cost-reimbursement grants that have not been recognized at June 30, 2023 and 2022 because qualifying expenses have not yet been incurred, with advance payments of \$1,275,234 and \$2,131,396 recognized in the statements of financial position as a refundable advances at June 30, 2023 and 2022, 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 Income

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.

### In-Kind Contributions

The Agency receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. The Agency recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. During the years ending June 30, 2023 and 2022, the Agency received donated services of \$141,673 and \$94,851 for program services for the years ended June 30, 2023 and 2022, respectively.

Donated program services are valued using the most recent Bureau of Labor Statistics’ average wages.

### Subsequent Events

In preparing these financial statements, the Agency has evaluated subsequent events through November 15, 2023, 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, cash equivalents and restricted cash were as follows at June 30,:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,145,455	\$ 2,526,364
Restricted cash	134,789	130,435
	<u>\$ 2,280,244</u>	<u>\$ 2,656,799</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 – FINANCE LEASES

Finance leases consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Lease payable in monthly installments of \$111 through February 1, 2026 at an annual interest rate of 4.35%.	\$ 3,140	\$ 4,303
Lease payable in monthly installments of \$102 through May 15, 2026 at an annual interest rate of 4.35%.	3,261	4,320
Lease payable in monthly installments of \$1,349 through May 15, 2026 at an annual interest rate of 4.35%.	43,092	57,079
	<u>49,493</u>	<u>65,702</u>
Less current portion	<u>15,387</u>	<u>14,733</u>
Long-term portion	<u>\$ 34,106</u>	<u>\$ 50,969</u>

Maturities of finance leases are as follows:

Year Ending June 30:

2024	\$ 18,746
2025	18,746
2026	18,746
Total minimum lease payments	<u>56,238</u>
Less amount representing interest	<u>6,745</u>
Present value of lease payments	49,493
Less current portion	<u>15,387</u>
Long term portion	<u>\$ 34,106</u>

**NOTE 4 – BONDS PAYABLE**

Bonds payable consisted of the following as of June 30, 2023 and 2022:

	2023		2022	
	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%	\$ 5,455,000	\$ 157,216	\$ 5,720,000	\$ 169,309
Unamortized bond premium	200,332	-	215,181	-
Total	5,655,332	\$ 157,216	5,935,181	\$ 169,309
Less current portion	285,000		265,000	
Long-term portion	5,370,332		5,670,181	
Less unamortized deferred financing costs	(157,216)		(169,309)	
Bonds payable - long-term, net	<u>\$ 5,213,116</u>		<u>\$ 5,500,872</u>	

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:

2024	\$ 285,000
2025	314,849
2026	329,849
2027	344,849
2028	359,849
Thereafter	<u>4,020,936</u>
	<u>\$ 5,655,332</u>

## NOTE 5 – NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mortgage payable 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.	\$ 815,317	\$ 851,402
Note payable 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.	125,038	130,212
Note payable of \$210,000, payable in monthly installments of \$1,398 through September 2042, interest at 5.03%, secured by real property.	205,351	-
Note payable of \$45,979, payable in monthly installments of \$677 through August 2024, including interest at 1.90%, secured by a vehicle.	<u>4,350</u>	<u>8,145</u>
	1,150,056	989,759
Less current portion	<u>53,156</u>	<u>44,729</u>
Notes payable - long-term	<u><u>\$ 1,096,900</u></u>	<u><u>\$ 945,030</u></u>

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

<u>Year Ending June 30:</u>	
2024	\$ 53,156
2025	45,073
2026	45,202
2027	47,316
2028	49,530
Thereafter	<u>909,779</u>
	<u><u>\$ 1,150,056</u></u>

## NOTE 6 – LINE OF CREDIT

The Agency has an available line of credit of \$1,250,000, which expires May 1, 2024 and bears interest at the Wall Street Journal Prime Rate plus .25%. The interest rate at June 30, 2023 and 2022 was 8.5% and 5%, 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, 2023 and 2022.

## NOTE 7 – NET ASSETS

Net assets with donor restrictions of \$43,518 as of June 30, 2023 and 2022, are available for use in the assets for independence program. No net assets were released for this program during the years ended June 30, 2023 and 2022.

## NOTE 8 – 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 9 – 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 6% and 3% of their compensation in June 30, 2023 and 2022, respectively. Agency contributions totaled \$222,618 and \$94,780 for the years ended June 30, 2023 and 2022, respectively.

## NOTE 10 – EXPENSES BY FUNCTION

Expenses by function are as follows for the year ended June 30, 2023 and 2022:

	2023		
	Program	Management and General	Total
Salaries and benefits	\$ 10,115,910	\$ 508,706	\$ 10,624,616
Direct client assistance	7,248,297	-	7,248,297
Professional and contracted services	1,184,026	193,680	1,377,706
Occupancy	1,078,472	165,703	1,244,175
Depreciation	494,103	71,218	565,321
Interest	309,674	511	310,185
Materials and supplies	747,451	35,089	782,540
Other	264,724	51,325	316,049
Total expenses	<u>\$ 21,442,657</u>	<u>\$ 1,026,232</u>	<u>\$ 22,468,889</u>



**NOTE 10 – EXPENSES BY FUNCTION (CONTINUED)**

	2022		
	Program	Management and General	Total
Salaries and benefits	\$ 9,127,139	\$ 444,256	\$ 9,571,395
Direct client assistance	8,683,262	-	8,683,262
Professional and contracted services	492,126	252,581	744,707
Occupancy	883,615	124,350	1,007,965
Depreciation	433,442	84,607	518,049
Interest	299,131	250	299,381
Materials and supplies	852,762	32,989	885,751
Other	179,537	71,889	251,426
Total expenses	\$ 20,951,014	\$ 1,010,922	\$ 21,961,936

**NOTE 11 – LIQUIDITY AND AVAILABILITY**

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

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 2,145,455	\$ 2,526,364
Grants receivable	1,190,829	1,588,629
Other receivables	144,117	105,880
Total financial assets	3,480,401	4,220,873
Less amounts not available to be used within one year:		
Net assets with donor restrictions	43,518	43,518
	43,518	43,518
Financial assets available to meet general expenditures over the next twelve months	\$ 3,436,883	\$ 4,177,355

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, 2023, and our report thereon dated November 15, 2023, 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, 2023 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  
November 15, 2023

# 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, 2023

	<u>CHEFA Financed</u>	<u>All Other Activities</u>	<u>Total</u>
<b>Changes in Net Assets Without Donor Restrictions</b>			
Government grants	\$ 4,976,551	\$ 15,438,513	\$ 20,415,064
Program income	1,085,090	34,183	1,119,273
Nongovernmental grants and contributions	-	1,199,026	1,199,026
Bond debt service funding	434,261	-	434,261
Rental income	-	67,491	67,491
Other income	4,384	157,710	162,094
Total revenues, gains and other support	<u>6,500,286</u>	<u>16,896,923</u>	<u>23,397,209</u>
<b>Expenses</b>			
Salaries and benefits	4,020,781	6,603,835	10,624,616
Direct client assistance	-	7,248,297	7,248,297
Professional and contracted services	308,113	1,069,593	1,377,706
Occupancy	601,811	642,364	1,244,175
Depreciation	433,322	131,999	565,321
Interest	229,589	80,596	310,185
Materials and supplies	104,370	678,170	782,540
Other	205,555	110,494	316,049
Total expenses	<u>5,903,541</u>	<u>16,565,348</u>	<u>22,468,889</u>
Change in net assets without donor restrictions	<u>\$ 596,745</u>	<u>\$ 331,575</u>	<u>\$ 928,320</u>

**Headquarters**

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