

HANDS ON HARTFORD, INC.

Independent Auditors' Report

Financial Statements

December 31, 2022 and 2021



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HANDS ON HARTFORD, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hands on Hartford, Inc.

Opinion

We have audited the financial statements of Hands on Hartford, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hands on Hartford, Inc. as of December 31, 2022 and 2021, 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 (GAAS). 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 Hands on Hartford, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Hands on Hartford, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Hands on Hartford, 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 Hands on Hartford, 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
June 20, 2023

HANDS ON HARTFORD, INC.

Statements of Financial Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
<i>Current assets:</i>		
Cash	\$ 1,036,867	\$ 1,440,729
Grants and accounts receivable	465,538	330,805
Inventory of gift cards	15,669	12,082
Prepaid expense	17,789	20,713
Total current assets	<u>1,535,863</u>	<u>1,804,329</u>
<i>Land, property and equipment:</i>		
Building and improvements	7,781,056	7,781,056
Furniture and equipment	232,805	232,805
	<u>8,013,861</u>	<u>8,013,861</u>
Less accumulated depreciation	(1,979,359)	(1,712,192)
Property and equipment, net	6,034,502	6,301,669
Construction in progress	246,969	246,969
Land	158,000	158,000
Land, property and equipment, net	<u>6,439,471</u>	<u>6,706,638</u>
<i>Other assets:</i>		
Restricted cash	2,178	2,177
	<u>2,178</u>	<u>2,177</u>
Total assets	<u>\$ 7,977,512</u>	<u>\$ 8,513,144</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statements of Financial Position (continued)

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Liabilities and Net Assets		
<i>Current liabilities:</i>		
Accounts payable	\$ 15,049	\$ 7,228
Accrued expenses	228,676	168,037
Deferred grant revenue	202,138	398,741
Total current liabilities	<u>445,863</u>	<u>574,006</u>
<i>Net assets:</i>		
Without donor restrictions	7,455,375	7,745,363
With donor restrictions	76,274	193,775
Total net assets	<u>7,531,649</u>	<u>7,939,138</u>
Total liabilities and net assets	<u>\$ 7,977,512</u>	<u>\$ 8,513,144</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statement of Activities

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support:			
Contributions	\$ 979,690	\$ -	\$ 979,690
Religious contributions	198,324	-	198,324
In-kind food contributions	342,815	-	342,815
Other in-kind contributions	86,968	-	86,968
Total support	<u>1,607,797</u>	<u>-</u>	<u>1,607,797</u>
Revenue:			
Program grants	2,935,722	-	2,935,722
Resident and program fees	245,997	-	245,997
Interest income	10,975	-	10,975
Total revenue	<u>3,192,694</u>	<u>-</u>	<u>3,192,694</u>
Net assets released from restrictions	<u>117,501</u>	<u>(117,501)</u>	<u>-</u>
Total support and revenue	<u>4,917,992</u>	<u>(117,501)</u>	<u>4,800,491</u>
Functional expenses:			
Program services	3,986,118	-	3,986,118
Supporting services	954,694	-	954,694
Total functional expenses	<u>4,940,812</u>	<u>-</u>	<u>4,940,812</u>
Change in net assets from operations	(22,820)	(117,501)	(140,321)
Other changes in net assets:			
Depreciation	<u>(267,168)</u>	<u>-</u>	<u>(267,168)</u>
Change in net assets	(289,988)	(117,501)	(407,489)
Net assets, beginning of year	<u>7,745,363</u>	<u>193,775</u>	<u>7,939,138</u>
Net assets, end of year	<u>\$ 7,455,375</u>	<u>\$ 76,274</u>	<u>\$ 7,531,649</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statement of Activities

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support:			
Contributions	\$ 997,910	\$ 150,000	\$ 1,147,910
Religious contributions	153,242	-	153,242
In-kind food contributions	366,258	-	366,258
Other in-kind contributions	53,122	-	53,122
Total support	<u>1,570,532</u>	<u>150,000</u>	<u>1,720,532</u>
Revenue:			
Program grants	2,280,969	20,063	2,301,032
Resident and program fees	194,815	-	194,815
Interest income	5,854	4,499	10,353
Total revenue	<u>2,481,638</u>	<u>24,562</u>	<u>2,506,200</u>
Net assets released from restrictions	<u>20,472</u>	<u>(20,472)</u>	<u>-</u>
Total support and revenue	<u>4,072,642</u>	<u>154,090</u>	<u>4,226,732</u>
Functional expenses:			
Program services	3,091,614	-	3,091,614
Supporting services	830,545	-	830,545
Total functional expenses	<u>3,922,159</u>	<u>-</u>	<u>3,922,159</u>
Change in net assets from operations	150,483	154,090	304,573
Other changes in net assets:			
Depreciation	<u>(286,448)</u>	<u>-</u>	<u>(286,448)</u>
Change in net assets	(135,965)	154,090	18,125
Net assets, beginning of year	<u>7,881,328</u>	<u>39,685</u>	<u>7,921,013</u>
Net assets, end of year	<u>\$ 7,745,363</u>	<u>\$ 193,775</u>	<u>\$ 7,939,138</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (407,489)	\$ 18,125
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	267,168	286,721
(Increase)/decrease in assets:		
Grants and accounts receivable	(134,733)	(91,850)
Inventory of gift cards	(3,587)	(2,261)
Prepaid expense	2,924	7,042
Increase/(decrease) in liabilities:		
Accounts payable	7,820	386
Accrued expenses	60,639	(3,740)
Refundable advance - Paycheck Protection Program	-	(230,000)
Deferred grant revenue	(196,603)	71,040
Net change in cash from operating activities	<u>(403,861)</u>	<u>55,463</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>-</u>	<u>(38,996)</u>
Net change in cash from investing activities	<u>-</u>	<u>(38,996)</u>
Net change in cash	(403,861)	16,467
Cash and restricted cash, beginning of year	<u>1,442,906</u>	<u>1,426,439</u>
Cash and restricted cash, end of year	<u>\$ 1,039,045</u>	<u>\$ 1,442,906</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statement of Functional Expenses

For the year ended December 31, 2022

	Program Services	Supporting Services	Total
Personnel:			
Wages	\$ 1,589,567	\$ 555,753	\$ 2,145,320
Employee benefits	354,950	135,004	489,954
Payroll taxes	119,503	42,319	161,822
Contractual services	57,667	17,920	75,587
Other personnel related expenses	26,780	5,405	32,185
Total personnel expenses	<u>2,148,467</u>	<u>756,401</u>	<u>2,904,868</u>
Operating expenses:			
Activities and events	7,650	38,167	45,817
Professional services	197,390	30,194	227,584
Interest expense/bank fees	1,426	5,236	6,662
Insurance	67,760	19,221	86,981
Office operations	20,190	12,440	32,630
Information technology	106,711	70,839	177,550
Program needs	714,624	-	714,624
Furniture and fixtures	11,784	2,499	14,283
Building operations	280,333	19,697	300,030
Total operating expenses	<u>1,407,868</u>	<u>198,293</u>	<u>1,606,161</u>
Total personnel and operating expenses	<u>3,556,335</u>	<u>954,694</u>	<u>4,511,029</u>
Other expenses:			
In-kind food expense	342,815	-	342,815
Other in-kind expense	86,968	-	86,968
Total other expenses	<u>429,783</u>	<u>-</u>	<u>429,783</u>
Total functional expenses	<u>\$ 3,986,118</u>	<u>\$ 954,694</u>	<u>\$ 4,940,812</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Statement of Functional Expenses

For the year ended December 31, 2021

	Program Services	Supporting Services	Total
Personnel:			
Wages	\$ 1,192,110	\$ 472,207	\$ 1,664,317
Employee benefits	245,314	119,405	364,719
Payroll taxes	89,219	35,270	124,489
Contractual services	33,611	49,015	82,626
Other personnel related expenses	21,231	7,410	28,641
Total personnel expenses	<u>1,581,485</u>	<u>683,307</u>	<u>2,264,792</u>
Operating expenses:			
Activities and events	-	24,397	24,397
Professional services	161,841	31,406	193,247
Interest expense/bank fees	2,327	7,702	10,029
Insurance	51,735	16,523	68,258
Office operations	15,859	9,917	25,776
Information technology	101,003	34,708	135,711
Program needs	516,001	-	516,001
Furniture and fixtures	6,784	2,991	9,775
Building operations	235,626	18,894	254,520
Depreciation	273	-	273
Total operating expenses	<u>1,091,449</u>	<u>146,538</u>	<u>1,237,987</u>
Total personnel and operating expenses	<u>2,672,934</u>	<u>829,845</u>	<u>3,502,779</u>
Other expenses:			
In-kind food expense	366,258	-	366,258
Other in-kind expense	52,422	700	53,122
Total other expenses	<u>418,680</u>	<u>700</u>	<u>419,380</u>
Total functional expenses	<u>\$ 3,091,614</u>	<u>\$ 830,545</u>	<u>\$ 3,922,159</u>

The accompanying notes are integral part of the financial statements.

HANDS ON HARTFORD, INC.

Notes to the Financial Statements

December 31, 2022 and 2021

NOTE 1 - AGENCY AND PURPOSE

Hands on Hartford, Inc. (the “Agency” or “Hands on Hartford”) is a tax-exempt, nonprofit, nonsectarian agency whose mission is to strengthen community in Hartford by responding faithfully to people in need through programs that change lives and renew human possibility.

The Agency has four focus areas and fulfills its mission through the following programs located throughout the city:

Housing Services - Provides safe and affordable supportive housing and related support services for individuals and families with complex health issues (including those living with HIV/AIDS), both onsite and throughout the Hartford area. Also provided are supportive services and individualized housing stabilization or homelessness prevention services to neighbors in need of assistance. In addition, linkage and referral case management services to individuals at an apartment building for individuals with limited income are provided. **CIHHN (Connecticut Integrated Healthcare and Housing Neighborhoods)** program supports individuals in finding and keeping safe, affordable housing and provide housing case management and patient navigation services to increase housing stability and positive health outcomes. **55B Apartments** -thirteen one-bedroom and efficiency style apartments at Hands On Hartford provide permanent housing to individuals in need of supportive services because of serious health issues. 24/7 support is available through our Housing Services program. We also provide supportive housing and related support services for folks with serious health issues (including those living with HIV/AIDS), at **Zeppo House**, an offsite residence in Hartford, at **The Faxon Apartments** in West Hartford, and **Permanent Supportive Housing (PSH)** at scattered site locations throughout the Hartford area.

Homeless Outreach Program - an interdisciplinary collaboration with Wheeler Clinic and Connecticut Harm Reduction Coalition aimed at helping to get folks who are living unsheltered into permanent homes of their own. The team seeks out people who are living in tents, under bridges, in wooded areas, etc., provides them with warm clothing, snacks, beverages, and works to find them a warm place to sleep indoors. They connect them with medical and mental health assistance where needed, and work to match them to housing programs with an ultimate goal of ensuring that each person they encounter finds a safe and stable place to call home.

Community Engagement - The Community Engagement Program orients, trains, supports, and places volunteers with all of our direct service programs. This program also manages larger customized service projects, immersions and “Dash for a Difference” events providing service learning both at Hands On Hartford and at non-profits, schools and parks throughout Hartford. Community Engagement also encompasses the Faces of Homelessness Speakers’ Bureau, through which speakers share their own experiences of homelessness with diverse audiences. Community Engagement work is done both in person and virtually.

MANNA (Meals, Assistance, Neighbors, Nurturing, Advocacy) - a comprehensive basic needs program comprised of the following programs. The **Neighborhood Services program** offers referrals, utility assistance through private funds and Operation Fuel, security deposit and rental assistance, dental funds assistance, referrals and financial assistance for training and employment opportunities, and nutrition education and health screenings to Hartford residents.

NOTE 1 - AGENCY AND PURPOSE (CONTINUED)

The **MANNA Community Pantry** is a full choice shopping model pantry, allowing clients to choose food that will suit their families' needs and tastes, minimizing food waste and maximizing nutritional value. Pre-bagged groceries are also available based on client choice. Groceries include non-perishable staples, along with bread, milk, eggs, fresh produce and frozen meat (including halal meat). Also offered are basic personal hygiene items and diapers. The **Backpack Nutrition Program** serves Hartford children who rely on free-of-charge school breakfasts and lunches during the school year. Backpacks containing two breakfasts and two lunches along with drinks and snacks (including shelf stable milk) are sent home each Friday of the school year. Weekly enhancements are also added, such as fresh fruit, canned chicken, community resources information, nutrition resource information, and school supplies. Our 40 year old **Community Meals** program which offered free meals four days and one evening a week was converted to a pay-what-you-can restaurant called **Gather55** mid-year, offering restaurant quality breakfast and lunch options to all for either full-price, a minimum of \$2, ½ hour of volunteer time or free, four days a week. Gather55 is also open in the evenings four days a week with 20% of seatings reserved for those unable to pay. We also offer a **Day Program** open four days and one evening a week (including a free dinner), which is a welcoming place where caring staff and volunteers give emotional support and a sense of community to those who often live isolated lives, and where guests can spend the day indoors. Staff trained in social work help guests stabilize their situations and take steps to move toward permanent housing and self-sufficiency, and health-checks, a bimonthly walk-in clinic, enrichment activities, risk reduction items and help with referrals are also available.

The Shared Use Kitchen - Hands On Hartford's shared use kitchen is available for use by the community on a membership basis. Small culinary businesses join the shared kitchen and benefit from a modern, renovated, licensed kitchen for product preparation, sale and delivery. We also work in partnership with a group of community organizations to run the Culinary Collaborative, designed to support the small businesses who are members of our kitchen to strengthen and further their businesses. Net proceeds of this program support Hands On Hartford's basic needs services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of 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 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.

Tax Exempt Status

The Agency is organized as a nonprofit corporation as described under Section 501(c)(3) of the Internal Revenue Code and, as such, is generally not subject to Federal and State corporation income taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Grants and accounts receivable arising from operations are stated net of an allowance for doubtful accounts, where applicable. Allowances are set based on assessments by management as to the collectability of individual accounts. There was no allowance for doubtful accounts at December 31, 2022 and 2021.

Property and Equipment

The Agency capitalizes all expenses for property and equipment in excess of \$5,000 and a useful life greater than three years. Property and equipment is recorded at cost. Depreciation of property and equipment is reflected on the straight-line method for financial reporting purposes over the estimated useful lives of the assets. Estimated useful lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building and improvements	5-30 years
Furniture and equipment	3-7 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the changes in net assets for the period.

Contributions

The Agency recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions for which restrictions are met in same year are reported as contributions without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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 the incurrence of 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.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors. As of December 31, 2022 and 2021, the Agency has not been informed by any agencies (including the Departments of Housing and Mental Health and Addiction Services) of any funds which are required to be returned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities, Goods and Services

The value of donated facilities and goods are recorded as revenue and expenses when an estimated amount is ascertainable. The value of donated food has been recorded as \$342,815 and \$366,258 for 2022 and 2021, respectively. The value of other donated items has been recorded as \$86,968 and \$53,122 for 2022 and 2021, respectively. The method used to record the donated food is based on the number of pounds of food valued at wholesale cost per pound obtained from Foodshare. Other donated items were valued based on the fair value of the items donated. No items donated were restricted by the donor. The agency does not sell donated items and only distributes goods for program use.

The Agency has over 1,990 volunteers donating services for various programs which were not recognized as revenue in the financial statements since the recognition criteria under the FASB ASC Topic 958 *Not-for-Profit Entities Presentation of Financial Statements* was not met.

Use of Estimates

The preparation of the 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. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses are allocated by time and effort, except for depreciation, which is allocated by both square footage and time and effort.

New Pronouncement

The Agency has adopted ASU 2020-07, *Presentation and Disclosure by Not -for Profits Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item on the statement of activities, apart from contributions of cash or other financial assets. The standard also increases disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements , with the exception of increased disclosure.

Subsequent Events

The Agency has evaluated events and transactions for potential recognition or disclosure for the year ended December 31, 2022 through June 20, 2023, which is the date the financial statements were available to be issued.

NOTE 3 - CONCENTRATIONS

Concentrations of Credit Risk

The Agency maintains its cash in banks and other financial institutions. Cash balances, at times, may exceed of such federally insured limits. The Agency believes that it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 3 – CONCENTRATIONS (CONTINUED)**Funding Source Concentrations**

The following agency provided of the Agency’s the following percentage of total support and revenue for the years ended December 31, 2022 and 2021:

<u>Granting Agency</u>	<u>2022</u>	<u>2021</u>
Department of Housing	\$ 591,426 12%	\$ 683,376 16%

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022 and 2021, net assets with donor restrictions are available for the following purposes and amounts:

	<u>2022</u>	<u>2021</u>
Contributions for use in specific programs	\$ 76,274	\$ 29,181
Contributions restricted for future years	-	164,594
	<u>\$ 76,274</u>	<u>\$ 193,775</u>

Net assets released from donor restrictions during the years ending December 31, 2022 and 2021 are detailed as follows:

	<u>2022</u>	<u>2021</u>
Utilized for specific programs	\$ 117,501	\$ 19,840
Time restrictions met	-	632
	<u>\$ 117,501</u>	<u>\$ 20,472</u>

NOTE 5 - PENSION PLANS

The Agency maintains a 401(k) Profit Sharing Plan and Trust, (the “Plan”) covering all eligible employees. All employees are eligible upon hire. Employer contributions are made at the discretion of the Agency’s Board of Directors. Employer contributions for the years ended December 31, 2022 and 2021 were \$62,937 and \$41,921, respectively.

NOTE 6 - CASH AND RESTRICTED CASH

Cash 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 restricted cash were as follows at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,036,867	\$ 1,440,729
Restricted cash	2,178	2,177
	<u>\$ 1,039,045</u>	<u>\$ 1,442,906</u>

NOTE 7 - LEASE OBLIGATIONS

On May 1, 2017, the Agency entered into an operating lease with 17-35 Bartholomew Avenue, LLC for parking spaces. The lease expired November 30, 2020. Currently the Agency is continuing to lease on a month to month basis at \$701 per month.

Lease expense amounted to \$8,412 for both of the years ended December 31, 2022 and 2021.

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Agency's financial assets available to meet general expenditures over the next twelve months at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,036,867	\$ 1,440,729
Grants and accounts receivable	465,538	330,805
	<u>1,502,405</u>	<u>1,771,534</u>
Less net assets with donor restrictions	<u>76,274</u>	<u>193,775</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,426,131</u>	<u>\$ 1,577,759</u>

The Agency's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in money market accounts.

Headquarters

280 Trumbull Street, 24th Floor
Hartford, CT 06103
860.522.3111

One Hamden Center
2319 Whitney Avenue, Suite 2A
Hamden, CT 06518
203.397.2525

14 Bobala Road, 3rd Floor
Holyoke, MA 01040
413.536.3970

WAdvising.com