NL HOMELESS HOSPITALITY CENTER

NEW LONDON **Homeless Hospitality Center**

Administrative Office
730 State Pier Road
Post Office Box 1651
New London, CT 06320

Program Office
325 Huntington Street
New London, CT 06320

www.NLHHC.org
(860) 439-1573

December 13, 2022

Mr. Robert J. Brule
First Selectman
Town of Waterford
15 Rope Ferry Road
Waterford, CT 06385

Dear Mr. Brule,

I am writing to ask the Town of Waterford to join its southeastern Connecticut neighboring towns in continuing to support the New London Homeless Hospitality Center. The work of the New London Homeless Hospitality Center (NLHHC) provides an essential service to the Waterford community, and as such we request funding from the Town of Waterford in the amount of $7,500.

The New London Homeless Hospitality Center is in the thick of the affordable and available housing crisis here in southeast Connecticut, offering emergency shelter to the homeless and facilitating programs to help people avoid homelessness. Despite the many programs we offer and the continued success we have getting people housed and staying housed, our winter, no-freeze, no barrier warming center has 10x the number of participants as last winter (Last winter we hosted approximately 40 individuals in the warming center all winter. This year we have hosted an average of 40 people PER NIGHT in the winter warming center).

Our emergency shelter is a place of safety and welcome; our respite center also provides care to individuals facing health crises, including pneumonia, broken bones, and cancer. We help guests find affordable housing and manage four houses locally that offer extremely low rents. We collaborate regionally with dozens of public and private programs and agencies to address, as fully as possible, the underlying causes of homelessness for every individual. Guests receive personalized support to connect to the help they need, whether it's a new driver's license, treatment for an addiction, or preparation for a job interview.

Our shelter beds were used over 10,000 nights by people who identified their last addresses as from 38 Connecticut towns, including at least 5 individuals who identified Waterford as her or his last known address in 2021. Over 2,000 people across southeast Connecticut utilized the Housing Resource Center to tap into resources that would help them avoid becoming unhoused. We believe that a regional approach makes sense, rather than each town attempting to provide its own services for people experiencing homelessness. And we believe that our entrepreneurial approach – based on best practices and the latest research – is the most effective.

Municipal budgets are extremely tight, but the commitment of our region to help our neighbors in crisis is so important. Homelessness is not a problem that affects only a single town or our urban areas. It is a problem for all of us.

If you have any questions or need more information, please don't hesitate to contact me. In fact, it would be my pleasure to host you for a tour of our facilities and to meet just some of the people your support would aid. Thank you for your time and consideration. I know that you have many difficult choices to make.

Sincerely,

Annah Perch
Development Manager

NEW LONDON **Homeless Hospitality Center**

Annual Report

July 1, 2021-June 30, 2021

The New London Homeless Hospitality Center does many things, but emergency shelter has always been our foundation. How we think about emergency shelter, however, has changed since our founding almost fifteen years ago. In this year's annual report, we continue to report on progress measured against specific goals that have guided our work in addressing homelessness. We also outline some new directions we plan to explore.

This year's report also shares some of the many ways Covid 19 has forced us to adapt in order to continue providing essential supports in the safest possible way. With the hard work of our staff, we have changed how we operate, but we have not missed a single day providing essential supports to our neighbors experiencing homelessness. We have not done this alone. Volunteers have continued to serve. Our board of directors has been fully engaged. The City of New London under the leadership of Mayor Michael Passero and Social Service Director Jeanne Milstein have been remarkable partners on many fronts. The network of providers that make up the homeless response system continues to work as a team. Also critical has been support from Ledge Light Health District, the CT Department of Housing, L+M Hospital, the Community Health Center and the VNA of SE CT.

PROGRESS TOWARD CORE GOALS

I. FROM HOMELESSNESS TO SAFETY

Homelessness is a crisis. People need someone to talk with—quickly. People need help figuring out steps they can take to address the crisis they are experiencing. People need to be able to get a shelter bed if they have no other options.

When we began, people facing homelessness had to call from shelter to shelter, usually being told the shelter was full. Today, all of Connecticut has a coordinated access system that allows people to call 211 and be linked immediately to a face-to-face meeting to discuss their situation. For individuals in our region, most of these initial appointments take place at NLHHC.

When we started, people faced long waiting lists for shelter entry, leaving many of our neighbors outside while they waited for a shelter bed. Today, our system works more effectively allowing us to offer much quicker access to life-saving supports.

A. Quick access to help

Goal: People facing homelessness should have rapid access to a person who can discuss their situation and provide information on services available.

Actual: Individuals facing homelessness in our region were able to access an appointment to discuss their options in addressing their housing crisis within 2 days of their call to 211.

In the past fiscal year, we continued same day "emergency" appointments seven days a week: a person who would otherwise be unsheltered that night was able to talk with an HHC staff member that same day.

Our "front door" has stayed open this whole year though we have needed to adapt to the Covid-19 crisis in a variety of ways. We are using virtual tools where possible. Most initial appointments are now completed over the phone. Our CAN (Coordinated Access Network) assessment staff have been trained in conducting health screenings and linking people to appropriate quarantine and isolation options.

B. Diversion when possible

Goal: Our first effort should be to assist people in solving their housing crisis quickly, avoiding their need for emergency shelter.

Actual: We continue to benefit from expanded diversion staffing with funding from the federal Community Development Block Grant (CDGB), graciously administered for our region through the Town of Stonington. Every initial CAN interview included an effective focus on discussing alternatives to shelter. This effort helped people remain in housing and freed up shelter beds for people without options. Approximately a quarter of those reporting to their CAN assessment interview were diverted—that is, helped to find alternative solutions to their housing crisis.

The effort to find shelter alternatives did not, however, end at the conclusion of the initial CAN interview. Staff continued to encourage people waiting for shelter admission to explore possible housing options. This added discussion has paid off, as over 25% of those who initially felt shelter was their only option resolved their housing challenge and never came into shelter.

C. Shelter bed when needed

Goal: People facing homelessness should have quick access to safe and well managed emergency shelter if they need it.

Actual: Vulnerable people in need of shelter were admitted immediately. Our shelter wait list rarely required people without other options to wait more than a few days to get access. A total of 283 different individuals were enrolled in our regular emergency shelter. In addition, during the cold weather, HHC operated a winter warming center to assure that people waiting for regular shelter had at least a warm place to be at night.

The Covid-19 crisis presented multiple challenges to achieving our goal of quick access to safe shelter for all who need it. In March of 2020, we reconfigured our shelter layout to achieve the social distancing required to control virus spread. Later in 2020 we had to further reduce capacity by eliminating upper bunk beds that were proving increasingly unworkable for our shelter population which has been trending older and with more physical limitations. Overall, our bed capacity has been reduced by about 40% below our pre-Covid levels. Even with fewer beds, however, we continue to meet the demand for shelter by helping people exit shelter more quickly for housing. Shorter shelter stays means that each bed can serve more people over the course of a year.

As the Covid crisis accelerated the Department of Mental Health and Addiction Services asked us to open a Covid isolation site in Norwich. The site allowed us to provide isolation options for a variety of treatment and residential programs across the state. As cases declined, we were able to close the Norwich site, but we continue to have an organized isolation capacity for any positive cases we encounter in our shelter.

In total, approximately 400 people accessed a shelter option through HHC during the last fiscal year.

D. Fewer barriers to shelter use

Goal: Shelter needs to be organized to provide people facing multiple challenges, particularly substance use disorders and mental health challenges, with the opportunity to use shelter successfully. To operate safely and effectively the shelter must set behavioral expectations. Staff must strive, however, to implement these expectations with flexibility and skill, so as to minimize the number of people who need to be excluded from shelter involuntarily.

Actual: Overall, negative exits declined to 4%. Half of this 4% was related to guests with income who would not agree to save a portion of this income toward future housing costs.

E. Treatment when requested

Goal: Individuals who seek assistance in addressing substance use disorders should have access to recovery supports that complement rehousing efforts.

Actual: Shelter staff worked closely with Recovery Navigators, treatment programs and community-based options to help people link to recovery support. Last fiscal year we assisted 66 individuals to find intensive treatment options.

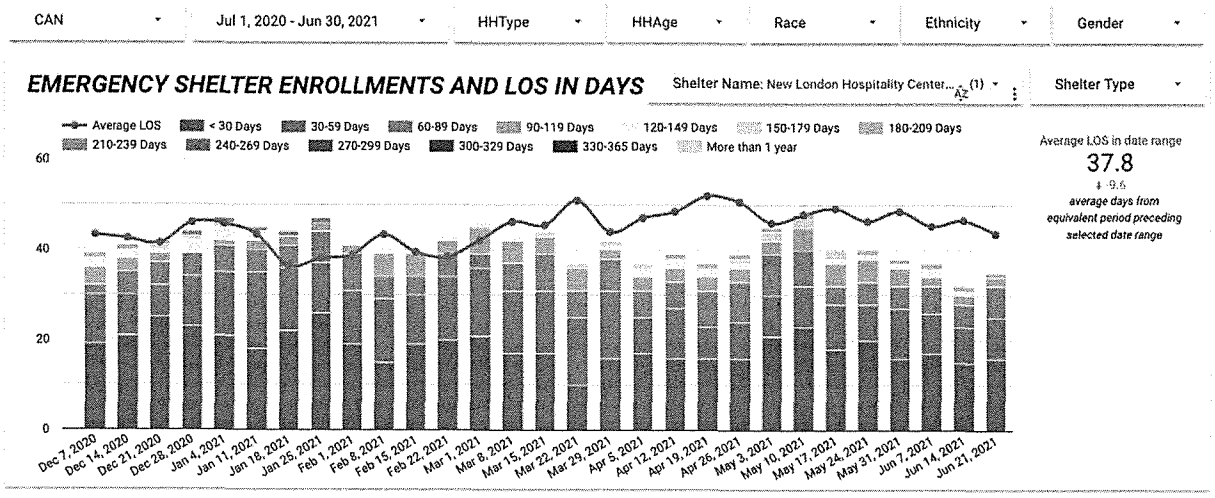
II. FROM SHELTER TO HOUSING

When we started, HHC provided only a place to sleep. Early on, however, we saw that housing, not just emergency shelter, is the ultimate answer to homelessness. Today we have a robust program of housing location support and short-term rental assistance that helps people get back to housing more quickly. Someone who gets a job or has some income can now get into housing right away, without having to wait weeks or even months to save enough for a security deposit and first month's rent. These supports are dramatically shortening the amount of time people spend in shelter and allowing them to get back to their jobs and community more quickly.

A. <u>Shorter shelter stays</u>

Goal: Shelter is a lifesaving resource but should be like a trampoline: helping people bounce back to housing as soon as possible. Shorter shelter stays are better for our guests and also free up capacity to serve new people in need. Our goal is to reduce the average length of stay in shelter to 30 days by helping people exit more quickly for housing.

Actual: Our average shelter stay was about 38 days (compared to a statewide average of 138 days). We continue to work to achieve our target of 30-day average length of stay.



(ctcandata.org)

B. <u>More exits to housing</u>

Goal: With the right supports, many people can reconnect to housing quickly. HHC housing location staff help people find vacancies, and our shelter staff help guests address other issues that stand in the way of housing.

Actual: Housing is the answer to homelessness. NLHHC continued to make progress in maximizing entries to housing, beginning with the CAN appointment and continuing through shelter enrollment. Sixty-eight percent of NLHHC shelter exits were to permanent housing compared with a statewide average of 46%. Housing placements were also achieved in the diversion process and through outreach efforts to people who were unsheltered.

C. Greater housing stability

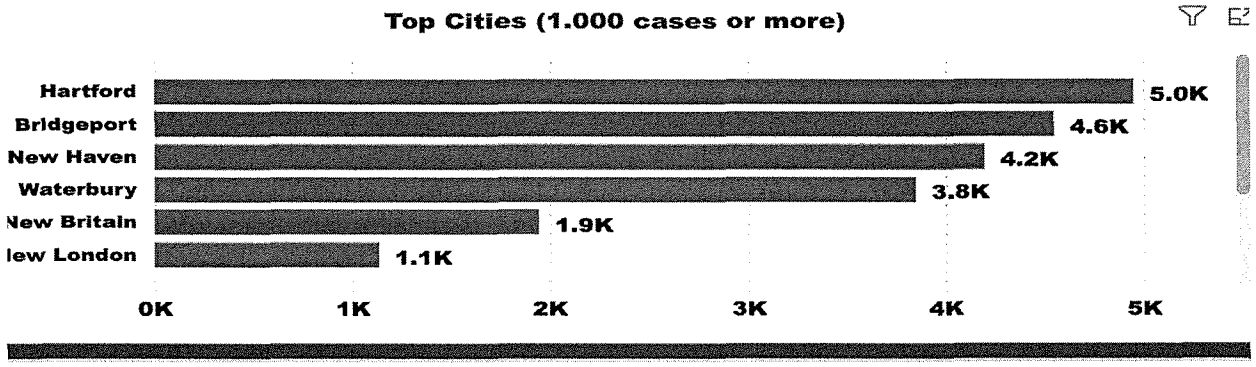
Goal: While housing is the start, keeping housing is the longer-term goal. Short-term rental assistance (security deposits and help paying rent) is a critical resource to allow very lowincome people to stabilize in housing. With the onset of the Covid crisis, the CARES act provided new resources for housing assistance.

Actual: We began using new CARES Act resources to invest heavily in increasing our housing capacity at the end of 2019-20 and this effort continue into the 2020-21 fiscal year. A key focus has been on building relationships with local landlords. As these relationships brought housing leads, we developed the infrastructure to process rental assistance requests and meet multiple documentation requirements from different new funding sources.

In the 2020-21 fiscal year HHC processed over $800,000 in funding requests (outside HHC's budget!) to help in diverting people from homelessness and in providing housing supports for people exiting shelter. This unprecedented level of investment flowing from Covid related funding sources far exceeds the resources we have previously had. Hundreds of people have been helped to secure stable housing demonstrating that, with appropriate investments, we can bend the curve on homelessness.

In the past fiscal year we also extended our housing support efforts to include people at risk of homelessness by providing support for people applying for UniteCT. UniteCT is Connecticut's roll out of the federal Emergency Rental Assistance (ERA) program to provide help with rent and utilities for people impacted by Covid. HHC has provided one-on-one support (in person and over the phone) to thousands of applicants from the shoreline area of New London County. Given our location in New London, we have had a special ability to assist our neighbors to access this critical resource.

While the City of New London ranks 38th in population in the state, we had the 6th greatest number of UniteCT cases. We believe our work at HHC contributed to people in New London and the entire shoreline area getting access to assistance they needed to stay housed.



(https://portal.ct.gov/DOH/DOH/Programs/UniteCT)

NEW DIRECTIONS

Improving Housing Affordability, Stability and Access in New London

For over 15 years the New London Homeless Hospitality Center (NLHHC) has worked to implement effective responses to the crisis of homelessness. Foundational to this effort is offering safe, welcoming, low barrier emergency shelter. The solution to homelessness, however, is quality affordable housing.

In recognition of the central role played by available affordable housing, NLHHC has supplemented our emergency shelter work with an increasing focus on housing. A major investment in rapid rehousing strategies (housing location, rental subsidies, and support services) has dramatically reduced the time it takes people to move from homelessness to permanent housing. Rapid rehousing has helped hundreds secure housing, has reduced our shelter length of stay to among the shortest in the state and has allowed New London to avoid the long waiting lists for shelter experienced in some areas.

In the year ahead we hope to apply the skills we have developed in addressing homelessness to impact an area that is far too often the precursor to homelessness—people who are housed but severely rent or cost burdened and struggling to maintain the housing they have. Our goal is to reach both renters and homeowners with the supports they need before they find themselves facing serious financial hardship and even homelessness. An additional

focus of our proposal is our desire to play a part in the effort to address historical inequities in access to home ownership which have so seriously impacted housing options and financial stability for people of color.

This new phase of our work builds upon (and will further strengthen) our work related to homelessness. Our connections to the community, knowledge of available resources, connections to landlords and the availability of our new Housing Resource Center at 727 Bank Street all position NLHHC to partner with others enter this new phase of improve housing affordability and options for New London residents.

A. KEY STRATEGIES

1. Add neighborhood focused outreach

While proposed supports would be available to all New London residents, we propose to add focused outreach to extremely low-income renters and cost burdened homeowners in up to four designated New London neighborhoods. Few social service interventions have tapped the power of a neighborhood focus, but growing research indicates that geographically focused strategies can have significant impact. We believe a commitment to neighborhood outreach will help reach households with the greatest need, better integrate community assets into the solutions people develop and achieve not just individual but also collective impacts.

Recent analysis by the Urban Institute has identified specific areas in New London with the greatest need for housing related supports.

2. Offer flexible, comprehensive, person-centered supports

Many existing social safety net programs offer supports targeted to a very specific need—such as utility assistance, help with back rent and food banks. These can help but often address just one aspect of the housing challenge. Households who need help developing a comprehensive plan and require access to multiple resources are too often left without some key component needed to address their challenge. Our experience indicates that a radically person centered and flexible approach to partnering with people to address their housing challenges can amplify the impact of more narrowly targeted programs into greater change in people's lives.

We are seeking to employ a framework that begins with engagement of households at risk...then moves to collaborating with households to assess root causes/create a plan...and finally provides robust access to a wide variety of practical supports (including linkage to other community resources) that people need to make their plan a reality.

Navigation support and access to flexible financial assistance are key components. In addition to program design, implementation is also key. Our goal is to offer support that is easy to access, offered in multiple languages and delivered by staff/volunteers reflective of the community we serve.

Not every household would want or need every support available. Our vision is not so much a program as a framework and a comprehensive menu of available supports from which households can chose the components they need. Households could choose to use only a single support (for example, emergency rental assistance or homebuyer support) or utilize more comprehensive support with developing a plan and securing multiple needed resources. Households would also be able to return on multiple occasions as their needs change. The key is meeting people where they are rather than beginning with a predetermined set of offerings.

3. Establish a HUD sanctioned Housing Counseling Agency (HCA)

NLHHC is working to establish a HUD-Approved Housing Counseling Agency (HCA) to provide an array of supports that increase housing stability and increase access to home ownership. Many federal and state programs available to support low- and moderate-income renters and homeowners also require the support of one-on-one housing counseling by a certified HUD Housing Counselor. This vital resource is missing from Southeastern Connecticut. The nearest locations to New London are East Berlin, Hartford, and New Haven placing housing counseling services out of reach for most New Londoners who experience housing instability.

Establishing a HUD sanctioned HCA requires meeting a significant number of standards. Staff must become certified housing counsellors which requires a significant level of training. Managing this training effort is a key part of our first-year work plan. Given the structure of the certification process, a new proposed HCA also needs to partner with an already approved HCA during the application process. The Urban League of Southern Connecticut has agreed to work with us to develop such a partnership.

The expertise and resources that an effective HCA will bring to New London will have a direct impact on housing stability and provide support for efforts to increase home ownership.

THANK YOU

For more information on our work please visit our website at NLHHC.org where you will find our financial statements, a list of our board of directors, more information on our services and information about our donors.

None of this work would be possible without the financial and volunteer support of so many generous members of our community. We appreciate your help and invite you into ever

deeper partnership in the effort to make homelessness rare, brief and non-recurring in our area. Information about volunteering and donating can be found on our website.

Catherine Zall
Executive Director
NLHHC.org

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.

FINANCIAL STATEMENTS
AS OF JUNE 30, 2021

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT,

FEDERAL SINGLE AUDIT REPORTS

AND

STATE SINGLE AUDIT REPORTS

HFM HOYT FILIPPETTI & MALAGHAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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State Internal Control and Compliance Reports

INDEPENDENT AUDITORS' REPORT

HOYT FILIPPETTI & MALAGHAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

Richard M. Hoyt, Jr., CPA PFS
Paul R. Filippetti, CPA
Terence J. Malaghan, CPA
K. Elise vonHousen, CPA
Susan K. Jones, CPA
Jason E. Cote, CPA
Dipti J. Shah, CPA
Fiona J. LaFountain, CPA
Stephanie F. Brown, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New London Homeless Hospitality Center, Inc.
New London, Connecticut

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of New London Homeless Hospitality Center, Inc. (the Center), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1041 Poquonnock Road • Groton, CT • 06340 • T: 860-536-9685 • F: 860-536-9684 • office@mysticcpa.com

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

We have previously audited the Center's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER MATTERS

Other Information

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 and schedule of expenditures of state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Act, respectively, are presented for purposes of additional analysis and are 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2022 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut
March 1, 2022

FINANCIAL STATEMENTS

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(With Summarized Financial Information for 2020)

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	$ 1,444,019	$ 987,565
Grants receivable	402,434	302,742
Prepaid expenses	55,668	40,741
Total current assets	1,902,121	1,331,048
PROPERTY AND EQUIPMENT, net	3,621,490	3,219,926
Total assets	$ 5,523,611	$ 4,550,974

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current maturities of long-term debt	$ 139,619	$ 101,976
Accounts payable	43,177	12,552
Deferred revenue	296,596	219,232
Accrued expenses	137,028	135,414
Security deposits	39,165	17,363
Total current liabilities	655,585	486,537
OTHER LIABILITIES		
Long-term debt, less current maturities	486,089	703,584
Total other liabilities	486,089	703,584
Total liabilities	1,141,674	1,190,121
NET ASSETS		
Without donor restriction:		
Undesignated	1,272,283	819,654
Designated as investment in property and equipment, net of related debt	2,995,782	2,414,366
Total net assets without donor restrictions	4,268,065	3,234,020
With donor restrictions	113,872	126,833
Total net assets	4,381,937	3,360,853
Total liabilities and net assets	$ 5,523,611	$ 4,550,974

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

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUES				
Grants and contracts	$ 2,310,665	$ -	$ 2,310,665	$ 1,762,152
Paycheck protection plan loan forgiveness	241,700	-	241,700	-
Contributions	1,146,031	100,000	1,246,031	757,444
Housing program rent	295,366	-	295,366	-
Non cash contributions:				
Building rent	-	-	-	13,500
Thrift shop sales	-	-	-	84,357
Other income	12,802	-	12,802	14,174
Net assets released from restrictions	112,961	(112,961)	-	-
	4,119,525	(12,961)	4,106,564	2,631,627
EXPENSES				
Program services:				
Day and night shelter	928,415	-	928,415	929,683
Thrift shop program	-	-	-	115,334
Housing	1,755,708	-	1,755,708	903,515
Total program services	2,684,123	-	2,684,123	1,948,532
Supporting services:				
Management and general	377,454	-	377,454	418,545
Fundraising	23,903	-	23,903	49,839
Total supporting services	401,357	-	401,357	468,384
Total expenses	3,085,480	-	3,085,480	2,416,916
Change in net assets	1,034,045	(12,961)	1,021,084	214,711
NET ASSETS, beginning of year	3,234,020	126,833	3,360,853	3,146,142
NET ASSETS, end of year	$ 4,268,065	$ 113,872	$ 4,381,937	$ 3,360,853

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

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information for 2020)

	2021							
	PROGRAM SERVICES			SUPPORTING SERVICES				
	Day and Night Shelter	Housing	Total	Management and General	Fundraising	Total	Total 2021	Total 2020
Salaries	$ 587,297	919,477	$ 1,506,774	$ 183,200	13,086	$ 196,286	$ 1,703,060	$ 1,330,259
Payroll taxes and benefits	67,195	107,071	174,266	48,370	3,153	51,523	225,789	177,661
Total payroll related costs	654,492	1,026,548	1,681,040	231,570	16,239	247,809	1,928,849	1,507,920
Occupancy	13,661	92,536	106,197	16,396	-	16,396	122,593	135,451
Guest support	14,400	174,143	188,543	-	-	-	188,543	104,007
Professional fees	4,044	105,735	109,779	55,106	-	55,106	164,885	70,311
Repairs and maintenance	58,355	63,206	121,561	4,516	-	4,516	126,077	66,892
Supplies	27,518	38,283	65,801	12,649	-	12,649	78,450	69,065
Insurance	34,631	3,465	38,096	34,631	-	34,631	72,727	86,172
Casual labor	4,976	54,373	59,349	-	-	-	59,349	26,500
Telephone	8,660	30,212	38,872	4,910	-	4,910	43,782	47,904
Housing rent	25,506	78,563	104,069	-	-	-	104,069	60,050
Interest expense	3,551	14,528	18,079	8,585	-	8,585	26,664	24,568
Travel	4,549	20,771	25,320	-	-	-	25,320	17,569
Miscellaneous	4,529	15,011	19,540	1,655	-	1,655	21,195	56,257
Office expense and supplies	4,630	1,701	6,331	-	7,664	7,664	13,995	29,301
Staff development	-	4,170	4,170	3,068	-	3,068	7,238	3,022
Bank and credit card fees	-	7	7	311	-	311	318	3,405
Vehicle expense	-	-	-	-	-	-	-	4,106
Total expenses before depreciation	863,502	1,723,252	2,586,754	373,397	23,903	397,300	2,984,054	2,312,500
Depreciation	64,913	32,456	97,369	4,057	-	4,057	101,426	104,416
Total expenses	$ 928,415	$ 1,755,708	$ 2,684,123	$ 377,454	$ 23,903	$ 401,357	$ 3,085,480	$ 2,416,916

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

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,021,084	$ 214,711
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	101,426	104,416
Changes in operating assets and liabilities:		
Grants receivable	(99,692)	(265,043)
Prepaid expenses	(14,927)	8,135
Accounts payable	30,625	(3,059)
Accrued expenses	1,614	28,829
Security deposits	21,802	(6,104)
Deferred revenue	77,364	219,232
Net cash provided by operating activities	1,139,296	301,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outlay for property and equipment	(502,990)	(171,684)
Net cash used in investing activities	(502,990)	(171,684)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	150,000	375,700
Repayment of long-term debt	(329,852)	(82,528)
Net cash (used in) provided by financing activities	(179,852)	293,172
NET INCREASE IN CASH AND CASH EQUIVALENTS	456,454	422,605
CASH AND CASH EQUIVALENTS, beginning of year	987,565	564,960
CASH AND CASH EQUIVALENTS, end of year	$ 1,444,019	$ 987,565
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 28,566	$ 27,150
Non cash investing and financing activities:		
Land and building acquired through assumption of long-term debt	$ 150,000	$ -

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

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE OF ORGANIZATION

New London Homeless Hospitality Center, Inc. (the Center) was established to provide a place of hospitality for the homeless. At night, the Center provides a shelter for single adults. The goal is to provide a place of rest and safety in a setting that is welcoming and dignified. On an average night, the Center provides a place of safety for about fifty (50) men and women. During the day, the Center offers a hospitality center where the homeless can find sanctuary and practical assistance. The hospitality center helps address some of the practical aspects of being homeless such as getting mail, taking a shower, and finding a place to sit in cold weather. The hospitality center also works to link people with the resources they need to return to permanent housing. On an average day, eighty (80) people visit the daytime hospitality center. The Center also provides a transitional housing program serving those experiencing homelessness.

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

PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financials as of and for the year ended June 30, 2020, from which the summarized information was derived. Certain reclassifications have been made to the 2020 amounts to conform with the current year presentation.

NET ASSET CATEGORIES

To ensure observance of limitations and restrictions placed on the use of resources available to the Center, the accounts of the Center are maintained in the following net asset categories:

Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions.

With Donor Restrictions

Net assets with donor restrictions represent contributions and investment earnings thereon that are restricted by the donor either as to purpose or as to time of expenditure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

REVENUE AND REVENUE RECOGNITION

Grants and Contracts

A portion of the Center'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 Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Contributions

Contributions are defined as voluntary, nonreciprocal transfers.

Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. The Center recognizes contributions of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified and reported in the statement of activities as net assets released from restrictions. Contributions received whose use is contingent on the occurrence of a future event are presented as deferred support until such conditions are substantially met, at which time they are recognized as support.

Donated Services

The Center recognizes contributions of services received if they create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet this criteria for recognition in the financial statements. However, a substantial number of volunteers have donated significant amounts of time to the Center's programs.

Donated Assets

Donated assets, including the usage of assets such as rent are recognized at their estimated fair market value.

The Center reports gifts of land, buildings, and equipment as unrestricted support. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions in full when the donated or acquired long-lived assets are placed in service.

Housing Program Rent

A portion of the Center's revenue is derived from housing program rent at various properties owned by the Center. The Center reports the housing program rent from tenants on a monthly basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

CASH EQUIVALENTS

For purposes of the statement of cash flows, the Center defines cash equivalents as liquid investments with an original maturity of three months or less. The Center had cash equivalents totaling $443,875 as of June 30, 2021 which consist of money market accounts.

PROPERTY AND EQUIPMENT

Property and equipment acquisitions and improvements thereon that individually exceed $5,000 are capitalized at cost, if purchased or at market or assessed value on the date of gift or bequest. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 – 40 years
Vehicles	5 years
Furniture, fixtures, and equipment	5 – 10 years

Repairs and maintenance are charged to expense as incurred.

INCOME TAXES

The Internal Revenue Service has determined that the Center is exempt from federal income taxes on exempt function income as a public charity under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been made in the accompanying financial statements.

The Center did not recognize any liability for uncertain tax positions as defined by accounting principles generally accepted in the United States of America.

The federal tax return of the Center for the year ended June 30, 2021 is subject to examination by the IRS, generally for three years after it has been filed.

METHODS USED FOR ALLOCATION OF EXPENSES AMONG FUNCTIONS

The financial statements of the Center report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, office, insurance, and occupancy, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of time and effort studies.

SUBSEQUENT EVENTS

The Center has performed an evaluation of subsequent events through March 1, 2022, which is the date the financial statements were available to be issued. There were no subsequent events that require additional disclosure.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

The Center's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and grants receivable. The Center places its cash deposits in high quality financial institutions and such deposits are fully covered by federal depository insurance. Grants receivable consist primarily of amounts due under a contract with state and federal agencies. Based on historical experience, management believes these receivables represent negligible credit risk. Accordingly, management has not established an allowance for potential credit losses.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

Land	$ 534,353
Buildings and improvements	3,499,442
Furniture and equipment	90,746
Vehicles	154,911
	4,279,452
Less: accumulated depreciation	657,962
	$ 3,621,490

Depreciation expense for the year ended June 30, 2021 was $101,426.

NOTE 4 - LINE OF CREDIT

The Center has established a $100,000 line of credit with a local bank. The line of credit bears interest at prime plus 1.5%. There was no activity with this line of credit during the year ended June 30, 2021.

NOTE 5 - LONG-TERM DEBT

A summary of long-term debt follows:

Equity Trust, Inc. mortgage, due December 2021, annual principal payments of $69,000 and monthly interest on the unpaid balance at 5.0%	$	69,181
Eastern Savings Bank mortgage, due September 2028, monthly payments of $860 including principal and interest at 4.75%		57,327
Equity Trust, Inc. mortgage, due May 2024, monthly payments of $664 including principal and interest at 5.0%		51,577
Equity Trust, Inc. mortgage, due July 2021, monthly payments of $395 including principal and interest at 5.0%		38,698
Liberty Bank mortgage, due December 2035, monthly payments of $1,090 including principal and interest at 4.59%		137,712
Equity Trust, Inc. mortgage, due May 2025, monthly payments of $2,529 including principal and interest at 5.0%		121,213
Equity Trust, Inc. mortgage, due May 2023, lump sum principal payment, and monthly interest on the unpaid balance at 5.0%		150,000
		625,708
Less: current maturities		139,619
	$	486,089

Principal maturities of long-term debt in each of the succeeding years are as follows:

Year ending June 30:		
2022	$	139,619
2023		183,314
2024		34,966
2025		107,968
2026		24,398
2027 and thereafter		135,443
	$	625,708

Interest expense on long term debt was $26,663 for the year ended June 30, 2021.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Center's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Trustees approved the use. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

Financial assets, at year-end		
Cash and cash equivalents	$	1,444,019
Grants receivable		402,434
		1,846,453
Less those unavailable for general expenditures within one year, due to:		
Security deposits		39,165
Client custodial accounts		22,265
Contractual or donor-imposed restrictions		113,872
Financial assets available to meet cash needs for general expenditures within one year	$	1,671,151

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following at June 30, 2021:

Time-restricted	$	33,424
Purpose restricted: Housing program		80,448
	$	113,872

Net assets with donor restrictions that were released from donor restrictions during the year ended June 30, 2021 by satisfying the following restrictions:

Time-restricted	$	50,134
Purpose restricted: Housing program		62,827
	$	112,961

NOTE 8 - OPERATING LEASES

The Center rents space for housing on a periodic basis as part of its Housing Program.

Rent expense under all these arrangements totaled $104,069 for the year ended June 30, 2021.

FEDERAL SINGLE AUDIT REPORTS

FEDERAL INTERNAL CONTROL AND COMPLIANCE REPORTS

HFM HOYT FILIPPETTI & MALAGHAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

Richard M. Hoyt, Jr., CPA PFS
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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 of
New London Homeless Hospitality Center, Inc.
New London, 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 New London Homeless Hospitality Center, Inc. (the Center) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Center'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 material weaknesses, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of federal findings and questioned costs as items 2020-001, 2020-003, 2020-004 and 2020-005, that we consider to be material weaknesses.

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COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Center's financial statements are free of 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.*

CENTER'S RESPONSE TO FINDINGS

The Center's response to the findings identified in our audit is described in the accompanying schedule of federal findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 provide an opinion on the effectiveness of the Center'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut
March 1, 2022

HFM HOYT FILIPPETTI & MALAGHAN LLC
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
New London Homeless Hospitality Center, Inc.
New London, Connecticut

REPORT COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited New London Homeless Hospitality Center, Inc.'s (the Center) 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 Center's major federal programs for the year ended June 30, 2021. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal 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' RESPONSIBILTIY

Our responsibility is to express an opinion on compliance for each of the Center'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 Center'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 qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

BASIS FOR QUALIFIED OPINION ON *EMERGENCY SOLUTIONS GRANT*

As described in the accompanying schedule of findings and questioned costs, the Center did not comply with requirements regarding CFDA 14.231 Emergency Solutions Grant as described in finding number 2020-003 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the Center to comply with the requirements applicable to those programs.

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QUALIFIED OPINION ON *EMERGENCY SOLUTIONS GRANT*

In our opinion, except for the noncompliance described in the Basis of Qualified Opinion paragraph, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 14.231 Emergency Solutions Grant for the year ended June 30, 2021.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Center 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 Center'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 our 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 the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of federal findings and questioned costs as items MW-2020-004 and MW-2020-005, to be material weaknesses.

The Center's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of federal findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut
March 1, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor; Pass-through Grantor; Program Title; Description	Grant Number	Federal CFDA Number	Grant Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Indirect:			
Passed through the State of Connecticut Department of Housing			
Social Services Block Grant			
Independent Living	15DOH0101CD A3	93.667	$ 28,330
Passed through the State of Connecticut Department of *Mental Health and Addiction Services*			
Projects for Assistance in Transition from Homelessness (PATH)			
Reliance House, Inc (PATH)		93.15	33,360
Total U.S. Department of Health and Human Services			61,690
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct:			
Continuum of Care		14.267	38,988
Indirect:			
Passed through the State of Connecticut Department of Housing			
Continuum of Care			
Rapid Rehousing	20DOH0901CD	14.267	59,558
Rapid Rehousing	20DOH0911CD	14.267	25,530
Passed through the State of Connecticut Department of Mental Health and Addiction Services			
Continuum of Care			
Supportive Housing Case Management	21MHA2092	14.267	38,580
Passed through the Connecticut Coalition Against Domestic Violence, Inc. (CCADV)			
Continuum of Care			
Domestic Violence and Human Trafficking Rapid Rehousing	19DOH0901FJ	14.267	35,000
Passed through the Town of Stonington, Connecticut			
Community Development Block Grant		14.228	87,066
Passed through the City of New London, Connecticut			
Community Development Block Grant		14.228	8,000
Passed through United Way of Southeastern Connecticut			
Coordinated Access Network	20DOH1001DA	14.231	56,296
Passed through Thames Valley Council for Community Action, Inc.			
1,000 Homes Cares - Emergency Solutions Grant	20DOH0901CX	14.231	118,332
Coordinated Accees Network - Cold Weather	20DOH1011CX	14.231	270,520
Emergency Solutions Grant - Supplemental		14.231	142,485
Total U.S. Department of Housing and Urban Development			880,355
U.S. DEPARTMENT OF JUSTICE			
Indirect:			
Passed through Connecticut Coalition to End Homelessness			
Department of Correction Re-Entry Housing Assistance Program		16.034	26,900
Total U.S. Department of Justice			26,900
U.S. DEPARTMENT OF TREASURY			
Indirect:			
Passed through the State of Connecticut Department of Housing			
COVID-19 Humanitarian Aid 6/15/20 - 12/31/20 New London		21.019	25,000
Passed through the State of Connecticut Department of Mental Health and Addiction Services		21.019	4,050
Total U.S. Department of Treasury			29,050
U.S. DEPARTMENT OF HOMELAND SECURITY			
Indirect:			
Passed through the United Way of Southeastern Connecticut			
Emergency Food and Shelter National Board Program (EFSP)		97.024	97,772
Total U.S. Department of Homeland Security			97,772
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Direct:			
VA Homeless Providers Grant and Per Diem Program		64.024	130,159
Total U.S. Department of Veterans Affairs			130,159
U.S. DEPARTMENT OF AGRICULTURE			
Indirect:			
Passed through the State of Connecticut Department of Social Services			
SNAP Employment and Training		10.561	37,529
Total U.S. Department of Agriculture			37,529
Total Federal Awards			$ 1,263,455

The accompanying notes are an integral part of this schedule.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of New London Homeless Hospitality Center, Inc. (the Center) conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance-based awards, revenues are recognized to the extent of performance achieved during the grant period.

New London Homeless Hospitality Center, Inc. has elected to use the 10% de Minimis indirect cost rate on select federal awards.

SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ✓ Yes ____ No
- Significant deficiency(ies) identified? ____ Yes ✓ None reported

Noncompliance material to financial statements noted? ____ Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ✓ Yes ____ No
- Significant deficiency(ies) identified? ____ Yes ✓ None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance ✓ Yes ____ No

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

CFDA Number	Name of Federal Program	Expenditures	Federal Assistance
14.231	Emergency Solutions Grants	$ 587,633	$ 587,633

Auditee qualified as low-risk auditee? ____ Yes ✓ No

Dollar threshold used to distinguish between Type A and Type B program: $750,000

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION II– SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS*

- We issued a report dated March 1, 2022 on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

- Our report on compliance indicated no reportable instances of noncompliance.

- Our report on internal control over financial reporting disclosed the following material weaknesses:

2020-001 FINANCIAL STATEMENT ADJUSTMENTS

Criteria: As a requirement of various grantors and oversight agencies, the Center is required to prepare financial statements that are presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition: During our audit testing, we noted certain accounts for which adjustments were proposed in order to present them in accordance with GAAP.

Cause: Certain accounts had not been analyzed and adjusted to be consistent with GAAP.

Effect: The Center's financial statements as initially presented were not in conformity with GAAP.

Questioned Costs: N/A

Recommendation: The Center should implement procedures to ensure all accounts are reconciled and analyzed for conformity with GAAP.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2020-003 REPORTING ALLOWABLE/ALLOCABLE COSTS

Grantor: U.S Department of Housing and Urban Development
Award Name: Emergency Solutions Grant
Award Year: Various
Award Numbers: Various
CFDA Number: 14.231

Criteria: Costs reported and submitted for reimbursement should be based on a cost allocation plan and agree to the underlying accounting records.

Condition: During our audit testing, we noted cost allocations included on submitted grant reports did not reconcile directly back to what was allocated in the underlying accounting records (general ledger).

Cause: No individuals at the Center were periodically performing reconciling and other activities which would have served to ensure the cost allocation plan and underlying accounting records were in line and consistent with what was being reported to grantors.

Effect: The amount of allocated costs reported and reimbursed by grantors could not be readily traced back to the underlying accounting records (general ledger).

Questioned Costs: None noted.

Recommendation: The Center should implement controls to ensure all reporting and requests for reimbursements submitted to grantors reconcile with the underlying accounting records as allocated.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
(Continued)

2020-004 INTERNAL CONTROLS OVER ALLOWABLE COSTS

Grantor: Various
Award Name: Various
Award Year: Various
Award Numbers: Various
CFDA Number: Various

Criteria: Title 2, Chapter 2, part 200 of the Code of Federal Regulations (2 CFR Part 200) establishes cost principles for determining costs applicable to federal awards with nonprofit organizations. An important method of adhering to these cost principles and ensuring allowable and allocable costs are charged to federal programs is through the use of a cost allocation plan. As important as the plan is, internal controls over the cost allocation plan are just as necessary. Nonprofit organizations must maintain internal controls over the allocation of costs to ensure costs are not over or under allocated, consistency across programs, and that they are traceable back to the accounting records themselves.

Condition: During our audit procedures, we noted that although the Center maintains a cost allocation plan, there were no internal controls in place to ensure the plan was achieving the requirements referenced in the previous paragraph. The cost allocation plan was effectively existing and operating independently from the underlying accounting records.

Cause: No individuals at the Center were periodically performing reconciling and other activities which would have served to ensure the cost allocation plan and underlying accounting records were in line and consistent.

Effect: The Center incurs the risk of allocating disallowed costs to federal programs contrary to Federal Regulations.

Questioned Costs: None noted.

Recommendation: The Center should implement internal controls (periodic reconciliations, etc.) to ensure accuracy and consistency in allocations.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

2020-005 INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE.

Grantor: Various
Award Name: Various
Award Year: Various
Award Numbers: Various
CFDA and CORE-CT Numbers: Various

Criteria: Non-profit organizations and other entities receiving federal and state assistance must have a process for identifying and tracking the source of such funds in order to adhere to the audit requirements of the Uniform Guidance and the Connecticut State Single Audit Act. To know when the respective audit requirements are effective, the organization must have the ability to prepare a schedule of expenditures of federal awards and a schedule of expenditures of state financial assistance at year end. These schedules must include all direct funding from the federal and state government as well as such funding passed through other agencies (indirect funding).

Condition: During our audit procedures, we noted that aside from recording all receipts of grant funding, in a single revenue account, the Center cannot generate the required schedules of expenditures of these funds to determine if the Federal Single Audit threshold of $750,000 or State Single Audit threshold of $300,000 have been met. Furthermore, specific identification numbers (CFDA or CORE-CT) for each grant were not readily retrievable to identify and group major programs.

Cause: No individuals at the Center were identifying and classifying the various grants received beyond their initial deposit.

Effect: The Center does not currently have the ability to prepare separate schedules of expenditures of federal awards and expenditures of state financial assistance, and therefore, cannot identify if the requirement for a Federal Single Audit or State Single Audit has been met.

Questioned Costs: None noted.

Recommendation: The Center should implement internal controls to ensure all grant assistance is adequately identified and the expenditures thereof tracked to be sure Federal and State Single Audits are performed when required.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF THE STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

The following prior year audit findings have been repeated this year:

2020-001	FINANCIAL STATEMENT ADJUSTMENTS
2020-003	REPORTING ALLOWABLE/ALLOCABLE COSTS
2020-004	INTERNAL CONTROLS OVER ALLOWABLE COSTS
2020-005	INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The following prior year audit findings have been resolved this year:

2020-002	ACCRUED VACATION

STATE SINGLE AUDIT REPORTS

STATE INTERNAL CONTROL AND COMPLIANCE REPORTS

HFM HOYT FILIPPETTI & MALAGHAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

Richard M. Hoyt, Jr., CPA PFS
Paul R. Filippetti, CPA
Terence J. Malaghan, CPA
K. Elise vonHousen, CPA
Susan K. Jones, CPA

Jason E. Cote, CPA
Dipti J. Shah, CPA
Fiona J. LaFountain, CPA
Stephanie F. Brown, CPA

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 of
New London Homeless Hospitality Center, Inc.
New London, 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 New London Homeless Hospitality Center, Inc. (the Center) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Center'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 material weaknesses, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of federal findings and questioned costs as items 2020-001, 2020-002, 2020-003 and 2020-004, that we consider to be material weaknesses.

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COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Center's financial statements are free of 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.*

CENTER'S RESPONSE TO FINDINGS

The Center's response to the findings identified in our audit is described in the accompanying schedule of federal findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 provide an opinion on the effectiveness of the Center'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut
March 1, 2022

HFM HOYT FILIPPETTI & MALAGHAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

Richard M. Hoyt, Jr., CPA PFS
Paul R. Filippetti, CPA
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Stephanie F. Brown, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

To the Board of Directors of
New London Homeless Hospitality Center, Inc.
New London, Connecticut

REPORT COMPLIANCE FOR EACH MAJOR STATE PROGRAM

We have audited New London Homeless Hospitality Center, Inc.'s (the Center) 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 Center's major state programs for the year ended June 30, 2021. The Center's major state programs are identified in the summary of auditors' results section of the accompanying schedule of state 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' RESPONSIBILTIY

Our responsibility is to express an opinion on compliance for each of the Center'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 Center'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 state program. However, our audit does not provide a legal determination of the Center's compliance.

BASIS FOR QUALIFIED OPINION ON *RAPID REHOUSING, HOUSING SUPPORTS AND SERVICES, AND MANAGED CARE/GENERAL ASSISTANCE*

As described in the accompanying schedule of state findings and questioned costs, the Center did not comply with requirements regarding OPM Cost Allocation Standards as described in finding number 2021-001. Compliance with such requirements is necessary, in our opinion, for the Center to comply with the requirements applicable to those programs.

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QUALIFIED OPINION ON *RAPID REHOUSING, HOUSING SUPPORTS AND SERVICES, AND MANAGED CARE/GENERAL ASSISTANCE*

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Rapid Rehousing, Housing Supports and Services, and Managed Care / General Assistance for the year ended June 30, 2021.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Center 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 Center'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 our 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 the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center'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 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 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 significant deficiencies. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of state findings and questioned costs as items 2021-002 and 2021-003, that we consider to be material weaknesses.

The Center's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of state findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut
March 1, 2022

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

THE NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	State Grant Program Core-CT Number	Grant Expenditures
DEPARTMENT OF HOUSING		
Direct:		
Rapid Rehousing	11000-DOH46920-16149-1200907	$ 76,590
Emergency Shelter Services	11000-DOH46920-16149-1200901	220,485
Indirect:		
Passed through the Connecticut Institute for refugees and Immigrants		
Rental Relief Program	11000-DOH46920-16149-1200905	17,350
Passed through the United Way of Southeastern Connecticut		
Community Investment Act	12060-DOH46920-35328	16,333
Total Department of Housing		330,758
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES		
Direct:		
Housing Supports and Services	11000-MHA53000-12035	143,449
Managed Care / General Assistance	11000-MHA53000-12220	208,413
Total Department of Mental Health and Addiction Services		351,862
Total State Financial Assistance		$ 682,620

The accompanying notes are an integral part of this schedule.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of Southeastern Connecticut Enterprise Region (the Center) conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of state financial assistance is presented in accordance with regulations established by the State of Connecticut, Office of Policy and Management.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance-based awards, revenues are recognized to the extent of performance achieved during the period.

SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ✓ Yes ____ No
- Significant deficiency(ies) 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' report issued on compliance for major programs: Qualified

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/Program	State Grant Program Identification Number	Expenditures
Department of Housing:		
Rapid Rehousing	11000-DOH46920-16149-1200907	$ 76,590
Department of Mental Health and Addiction Services:		
Housing Supports and Services	11000-MHA53000-12035	$143,449
Managed Care / General Assistance	11000-MHA53000-12220	$208,413
Dollar threshold used to distinguish between Type A and Type B program:		$100,000

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION II– SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS*

- We issued a report dated March 1, 2022 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.*

- Our report on compliance indicated no reportable instances of noncompliance.

- Our report on internal control over financial reporting disclosed the following material weaknesses:

2020-001 FINANCIAL STATEMENT ADJUSTMENTS

Criteria: As a requirement of various grantors and oversight agencies, the Center is required to prepare financial statements that are presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition: During our audit testing, we noted certain accounts for which adjustments were proposed in order to present them in accordance with GAAP.

Cause: Certain accounts had not been analyzed and adjusted to be consistent with GAAP.

Effect: The Center's financial statements as initially presented were not in conformity with GAAP.

Questioned Costs: N/A

Recommendation: The Center should implement procedures to ensure all accounts are reconciled and analyzed for conformity with GAAP.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION III – FINDINGS AND QUESTIONED COSTS RELATING TO STATE FINANCIAL ASSISTANCE

2021-002 REPORTING ALLOWABLE/ALLOCABLE COSTS

Grantors: Department of Housing; Department of Mental Health and Addiction Services
Award Names: Rapid Rehousing, Housing Supports and Services, Managed Care / General Assistance
Award Year: Various
Award Numbers: Various
CORE-CT Numbers: 11000-DOH46920-16149-1200907 / 11000-MHA53000-12035 / 1100-MHA53000-12220

Criteria: Costs reported and submitted for reimbursement should be based on a cost allocation plan and agree to the underlying accounting records.

Condition: During our audit testing, we noted cost allocations included on submitted grant reports did not reconcile directly back to what was allocated in the underlying accounting records (general ledger).

Cause: No individuals at the Center were periodically performing reconciling and other activities which would have served to ensure the cost allocation plan and underlying accounting records were in line and consistent with what was being reported to grantors.

Effect: The amount of allocated costs reported and reimbursed by grantors could not be readily traced back to the underlying accounting records (general ledger).

Questioned Costs: None noted.

Recommendation: The Center should implement controls to ensure all reporting and requests for reimbursements submitted to grantors reconcile with the underlying accounting records as allocated.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION III – FINDINGS AND QUESTIONED COSTS RELATING TO STATE FINANCIAL ASSISTANCE *(Continued)*

2021-003 INTERNAL CONTROLS OVER ALLOWABLE COSTS

Grantor: Various
Award Name: Various
Award Year: Various
Award Numbers: Various
CORE-CT Number: Various

Criteria: Connecticut's Office of Policy and Management (OPM) has established Cost Accounting Standards which include the requirement for grantees to have established a formal Cost Allocation Plan. As important as the plan is, internal controls over the cost allocation plan are just as necessary. Nonprofit organizations must maintain internal controls over the allocation of costs to ensure costs are not over or under allocated, consistency across programs, and that they are traceable back to the accounting records themselves.

Condition: During our audit procedures, we noted that although the Center maintains a cost allocation plan, there were no internal controls in place to ensure the plan was achieving the requirements referenced in the previous paragraph. The cost allocation plan was effectively existing and operating independently from the underlying accounting records.

Cause: No individuals at the Center were periodically performing reconciling and other activities which would have served to ensure the cost allocation plan and underlying accounting records were in line and consistent.

Effect: The Center incurs the risk of allocating disallowed costs to state programs contrary to the OPM Cost Accounting Standards.

Questioned Costs: None noted.

Recommendation: The Center should implement internal controls (periodic reconciliations, etc.) to ensure accuracy and consistency in allocations.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION III – FINDINGS AND QUESTIONED COSTS RELATING TO STATE FINANCIAL ASSISTANCE *(Continued)*

2021-004 INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE.

Grantor: Various
Award Name: Various
Award Year: Various
Award Numbers: Various
CFDA and CORE-CT Numbers: Various

Criteria: Non-profit organizations and other entities receiving federal and state assistance must have a process for identifying and tracking the source of such funds in order to adhere to the audit requirements of the Uniform Guidance and the Connecticut State Single Audit Act. To know when the respective audit requirements are effective, the organization must have the ability to prepare a schedule of expenditures of federal awards and a schedule of expenditures of state financial assistance at year end. These schedules must include all direct funding from the federal and state government as well as such funding passed through other agencies (indirect funding).

Condition: During our audit procedures, we noted that aside from recording all receipts of grant funding, in a single revenue account, the Center cannot generate the required schedules of expenditures of these funds to determine if the Federal Single Audit threshold of $750,000 or State Single Audit threshold of $300,000 have been met. Furthermore, specific identification numbers (CFDA or CORE-CT) for each grant were not readily retrievable to identify and group major programs.

Cause: No individuals at the Center were identifying and classifying the various grants received beyond their initial deposit.

Effect: The Center does not currently have the ability to prepare separate schedules of expenditures of federal awards and expenditures of state financial assistance, and therefore, cannot identify if the requirement for a Federal Single Audit or State Single Audit has been met.

Questioned Costs: None noted.

Recommendation: The Center should implement internal controls to ensure all grant assistance is adequately identified and the expenditures thereof tracked to be sure Federal and State Single Audits are performed when required.

Management's Views and Corrective Action Plan: Management agrees with this finding and has outlined its resulting actions in a separately issued Corrective Action Plan.

NEW LONDON HOMELESS HOSPITALITY CENTER, INC.
SUMMARY SCHEDULE OF THE STATUS OF
PRIOR STATE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

PRIOR YEAR AUDIT FINDINGS REPEATED

No prior year state findings reported.

Other Municipal Funding Sources / Amounts FY 2021-2022

Other Municipal Funding Sources / Amounts			
Groton			$25,000
Ledyard			$10,000
Lyme			$500
Old Lyme			$2,500
Lisbon			$2,500
Salem			$6,000
TOTAL			$38,000
Total ARPA Funding Received			$46,500

HHC Organization Chart
November 2022

Executive Director
Catherine Zali

Development
Annah Perch

Personnel
(AA/EOE Officer)
(Grievance Officer)
Nicole Thomas

EMERGENCY RESPONSE
Barbara Montrose

CAN/Diversion
Ileana Soto-Valentin
Jennifer Spezzano

Outreach
David Horst (.5)

Shelter Operations
Tori Bulted
Lania Harris-Shelter Services
John Rector-Shelter Admin

Shelter Help Center
Ada Lloeg
Barbara Perkins

Shelter Supervisors
Celida Baez
Seretta Sitlley
Cody Taylor

Shelter Staff
Lance Goode
Dan Bachinski
David Young
Russell Robinson
George Hoff
Connor Elci
Khadeja Strong Rodriquez
Lilian Goode

Health Services
Dana Dixon
Philip Brose

INTENSIVE SERVICES
Kate Griffith

PSH
Sara Leone
Andy Noble
Stacey Barrows

Rocky Neck Village
Rebecca DeToma

VA GPD
Mirca Reyes

MHW/Life Coach
Steve Elci
Daisy Clay
Dorothy Ames
Eric Johnson
Jay Connor
Dawn Koonce
Eileen Loftus
Lisa Saccu
Joan Johnson
Katharyn Amanti
Michelle Alvarez
Ray Charles

HOUSING SUPPORTS
Lisa Russo

Housing Location and Support
Noreen Zuprik
Alexis Mootry
Krys Czarnecki (.5)
Marita Johnson

Property Management
Krys Czarnecki (.5)
Arthur Lerner

CHESS
Samantha Punzalan
Kat Terminisi
Demonique Guess

HOUSING RESOURCE CENTER

Rain Daugherty

Housing Resource Center
Rain Daugherty
Miranda Ronai
Sydney Fort
Flo Potter
Julie Grayton
Marcela Tejada

Employment
Katherine Brown
Susan Evans

ADMINISTRATION
Tara Booker-CFO

Accounting
Marilyn Glover
Nicole Thomas

Reporting and Compliance
Donna Russo

9/12/22