

# **City of New Haven, Connecticut**

Federal and State Compliance Report  
Year Ended June 30, 2023

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RSM US LLP

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditor's Report**

Members of the Board of Finance  
City of New Haven, Connecticut

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

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

We have audited the City of New Haven, Connecticut's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated September 11, 2024, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter for the adoption of GASB Statement No. 96, *Subscription-Based IT Arrangements*. Our opinion was not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RSM US LLP*

Hartford, Connecticut  
September 11, 2024

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
<b>Direct Program:</b>				
Urban Agriculture and Innovative Production	10.935	N/A	\$ -	\$ 91,117
Urban Agriculture and Innovative Production	10.935	N/A	-	44,650
<b>Total Urban Agriculture and Innovative Production</b>			-	135,767
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	N/A	-	890,529
<b>Total Food Distribution Cluster</b>			-	890,529
Passed through the State of Connecticut				
Department of Education:				
Child Nutrition Cluster:				
Summer Food Service Program for Children (SFSPC) - Oper.	10.559	12060-SDE64370-20540	-	580,393
Summer Food Service Program for Children (SFSPC) - Admin	10.559	12060-SDE64370-20548	-	59,928
<b>Total Summer Food Service Program for Children</b>			-	640,321
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	-	117,514
School Breakfast Program	10.553	12060-SDE64370-20508	-	4,306,625
National School Lunch Program	10.555	12060-SDE64370-20560	-	11,255,244
National School Lunch Program - Snack	10.555	12060-SDE64370-20560	-	82,420
<b>Total National School Lunch Program</b>			-	11,337,664
<b>Total Child Nutrition Cluster</b>			-	16,402,124
Pandemic EBT Administrative Costs	10.649	12060-SDE64370-29802	-	31,390
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126	-	486,253
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	-	346,600
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	-	24,808
<b>Total Child and Adult Care Food Program</b>			-	371,408
<b>Total Passed Through State of Connecticut Department of Education</b>			-	17,291,175
<b>Total U.S. Department of Agriculture</b>			-	18,317,471
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Program:</b>				
CDBG- Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants Income	14.218	N/A	-	51,245
Community Development Block Grants/Entitlement Grants Program	14.218	N/A	673,095	4,040,910
COVID 19-Community Development Block Grants/Entitlement Grants- B-20-MC-09-0009	14.218	N/A	23,605	597,186
<b>Total Community Development Block Grant - Entitlement Grants Cluster</b>			696,700	4,689,341
Urban Development Actions Grants- Program Income	14.221	N/A	-	40,151
Emergency Solutions Grant Program	14.231	N/A	315,267	326,999
COVID-19 Emergency Solutions Grant Program- E-20-MW-09-0009	14.231	N/A	341,856	841,856
<b>Total Emergency Solutions Grant Program</b>			657,123	1,168,855
HOME Investment Partnership Program	14.239	N/A	-	1,008,660
COVID-19- HOME Investment Partnership Program-ARP	14.239	N/A	-	69,128
HOME Investment Partnership Program- Program Income	14.239	N/A	-	98,536
<b>Total HOME Investment Grant</b>			-	1,176,324

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development, Continued</b>				
Housing Opportunities for Persons with AIDS	14.241	N/A	\$ 1,120,158	\$ 1,143,933
COVID-19-Housing Opportunities for Persons with AIDS -CV	14.241	N/A	110,817	110,817
Total Housing Opportunities for Persons with AIDS			1,230,975	1,254,750
Lead Hazard Reduction Grant Program- CTH20FW002	14.900	N/A	-	1,002,870
<b>Total - Direct</b>			<b>2,584,798</b>	<b>9,332,291</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>2,584,798</b>	<b>9,332,291</b>
<b>U.S. Department of Justice</b>				
Direct Program:				
Public Benefit Conveyance Program	16.578	N/A	-	40,000
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial Justice Assistance Grant Program 2019	16.738	N/A	-	3,208
Edward Byrne Memorial Justice Assistance Grant Program 2020	16.738	N/A	-	54,231
Edward Byrne Memorial Justice Assistance Grant Program 2021	16.738	N/A	-	4,110
Edward Byrne Memorial Justice Assistance Grant Program 2022	16.738	N/A	-	32,215
Edward Byrne Memorial Justice Assistance Grant Program- 2020 Crime Gun Intelligence Center (2020-DG-BX-0010)	16.738	N/A	-	469,074
<b>Total Edward Byrne Justice Assistance Grant Program</b>			<b>-</b>	<b>562,838</b>
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	36,122
<b>Total - Direct</b>			<b>-</b>	<b>638,960</b>
<b>Total U.S. Department of Justice</b>			<b>-</b>	<b>638,960</b>
<b>Environmental Protection Agency</b>				
Direct Program:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements- 156-158 Humphrey St	66.818	N/A	-	6,971
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements-MLK/Tyler Project -16 Miller St.	66.818	N/A	-	195,952
<b>Total- Direct</b>			<b>-</b>	<b>202,923</b>
Passed through the State of Connecticut				
Department of Economic Development:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements BF-00A00585	66.818	12060-ECD46260-35533	-	17,514
Total Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			-	220,437
State Diesel Emissions Reduction Act-(DERA)Electric Refuse Vehicles	66.040	2019-093-094-10002 DEPM-70292	-	238,215
<b>Total Passed Through the State of Connecticut</b>			<b>-</b>	<b>255,729</b>
<b>Department of Economic Development</b>			<b>-</b>	<b>255,729</b>
<b>Total Environmental Protection Agency</b>			<b>-</b>	<b>458,652</b>

(Continued)

**City of New Haven, Connecticut**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of the Treasury</b>				
Direct Program:				
COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act	21.027	N/A	\$ -	\$ 6,047,772
Passed through the State of Connecticut Office of Policy and Management; COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act - ARP-Counties	21.027	12060-OPM2600-29669	-	100,180
Passed through the State of Connecticut Department of Environmental Protection: COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act New Haven -Improvements to East Rock ARP	21.027	12060-DEP44920-28131	-	52,877
Passed through the State of Connecticut Department of Education: COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act ARPA Expand Supplemental Learn Engage Attendance 2023	21.027	12060-SDE64370-28089	-	30,412
Passed through the State of Connecticut Office of Early Childhood: COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act School Readiness Supplemental Admin Funds 2023 ARP	21.027	12060-OEC64845-28227	-	422,208
COVID 19- Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act School Readiness Priority Enhancement Funds 2023 ARP	21.027	12060-OEC64845-28227	-	26,100
<b>Total Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan Act</b>			-	<b>6,679,549</b>
Passed through the State of Connecticut Department of Public Safety COVID-19- Coronavirus Relief Fund	21.019	12060-DPS32990-21891	-	1,139,936
COVID -19 Coronavirus Relief Fund- PA-CT 4500 SB144	21.019	12060-DPS32990-21891	-	2,606,579
<b>Total Coronavirus Relief Fund</b>			-	<b>3,746,515</b>
<b>Total U.S. Department of the Treasury</b>			-	<b>10,426,064</b>
<b>U.S. Department of Transportation</b>				
Direct Program:				
National Infrastructure Investments- RT 34 Downtown Crossing TIGER 8 project 92-659- A19-0003	20.933	N/A	-	804,748
Passed through the State of Connecticut Department of Transportation:				
Highway Planning and Construction:				
Highway Planning and Construction- Farmington Canal Heritage Trail 92-621	20.205	12062-DOT57161-22108	-	589,332
Highway Planning and Construction- Farmington Canal Heritage Trail Phase 4 92-621	20.205	12062-DOT57161-22108	-	1,507,429
Highway Planning and Construction- Wayfinding Phase II Project 92-684	20.205	12062-DOT57161-22108	-	229,627
Highway Planning and Construction- SAFE ROUTES TO SCHOOL (SRTS)-(92-650)	20.205	12062-DOT57161-22108	-	12,568
<b>Total Highway Planning and Construction</b>			-	<b>2,338,956</b>
Highway Safety Cluster:				
State and Community Highway Safety- Click it or Ticket	20.600	12062-DOT57513-20559	-	15,707
State and Community Highway Safety- Drug Recognition Enforcement Training	20.600	12062-DOT57513-22901	-	1,471
<b>Total Highway Safety Cluster</b>			-	<b>17,178</b>
<b>Total Passed Through the State of Connecticut Department of Transportation</b>			-	<b>2,356,134</b>
<b>Total U.S. Department of Transportation</b>			-	<b>3,160,882</b>
<b>U.S. Department of Education</b>				
Direct Program:				
Magnet School Assistance- NH Magnet Schools Project 2017-22	84.165A	N/A	-	1,931,496
Impact Aid (Title VII of ESEA)	84.041	N/A	-	350
Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215K	N/A	-	145,450
<b>Total - Direct</b>			-	<b>2,077,296</b>

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**City of New Haven, Connecticut**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Education, Continued</b>				
Passed through the State of Connecticut				
Department of Education:				
Title I Grants to Local Educational Agencies:				
Title I - Improving Basic Programs 2023	84.010A	12060-SDE64370-20679	\$ -	\$ 7,728,963
Title I - Improving Basic Programs 2022	84.010A	12060-SDE64370-20679	-	3,925,639
Title I - Improving Basic Programs - 2024 non pub	84.010A	12060-SDE64370-20679	-	16,995
Title I - Improving Basic Programs 2024 non pub	84.010A	12060-SDE64370-20679	-	115,253
Title 1 PART A 1003 (SIG) 2022 SDE5	84.010A	12060-SDE64370-20679	-	177,938
Title 1 PART A 1003 (SIG) 2022 SDE6	84.010A	12060-SDE64370-20679	-	80,249
Title 1 PART A 1003 (SIG) 2022 SDE7	84.010A	12060-SDE64370-20679	-	175,168
Title 1 PART A 1003 (SIG) 2022 SDE8	84.010A	12060-SDE64370-20679	-	39,593
Title 1 PART A 1003 (SIG) 2023 SDE 5	84.010A	12060-SDE64370-20679	-	53,847
Title 1 PART A 1003 (SIG) 2023 SDE 6	84.010A	12060-SDE64370-20679	-	269,424
Title 1 PART A 1003 (SIG) 2023 SDE 7	84.010A	12060-SDE64370-20679	-	131,609
Title 1 PART A 1003 (SIG) 2023 SDE 8	84.010A	12060-SDE64370-20679	-	24,638
<b>Total Title I Grants to Local Educational Agencies</b>			-	<b>12,739,316</b>
Adult Education - Basic Grants to State -Improvement 2023	84.002A	12060-SDE64370-20784	-	110,000
Adult Education - Basic Grants to State -Improvement FAE PEP IELCE -2023	84.002A	12060-SDE64370-20784	-	99,485
<b>Total Adult Education- Basic Grants to State</b>			-	<b>209,485</b>
Education for Homeless Children & Youth 2022	84.196A	12060-SDE64370-20770	-	52,968
Education for Homeless Children & Youth 2021	84.196A	12060-SDE64370-20770	-	59,908
<b>Total Education of Homeless Children &amp; Youth</b>			-	<b>112,876</b>
Supporting Effective Instruction -State Grant-Title II, Part A, Teachers Training 2023	84.367A	12060-SDE64370-20858	-	522,140
Supporting Effective Instruction -State Grant-Title II, Part A, Teachers Training 2023	84.367A	12060-SDE64370-20858	-	401,674
<b>Total Supporting Effective Instruction State Grant</b>			-	<b>923,814</b>
Student Support and Academic Enrichment Program- Title IV part A 2022	84.424A	12060-SDE64370-22854	-	712,364
Student Support and Academic Enrichment Program- Title IV part A 2023	84.424A	12060-SDE64370-22854	-	10,315
Student Support and Academic Enrichment Program- Title IV part A 2020	84.424A	12060-SDE64370-22854	-	27,261
<b>Total Student Support and Academic Enrichment Program</b>			-	<b>749,940</b>
Special Education Cluster (IDEA) :				
Special Education- Preschool Grants:				
COVID- 19- ARP IDEA 619 2021	84.173X	12060-SDE64370-29684	-	50,073
Special Education- Preschool Grants (IDEA Preschool) 2023	84.173A	12060-SDE64370-20983	-	46,805
Special Education- Preschool Grants (IDEA Preschool) 2023	84.173A	12060-SDE64370-20983	-	53,280
Total Special Education- Preschool Grants (IDEA Preschool)			-	150,158
Special Education Grants to States:				
COVID- 19- Special Education Grants to States- ARP IDEA 611 2022	84.027X	12060-SDE64370-23083	-	953,105
Special Education Grants to States- IDEA Part B, Section 611 entitlement 2023	84.027A	12060-SDE64370-20977	-	6,220,921
Special Education Grants to States- IDEA Part B, Section 611 entitlement 2023 non-public	84.027A	12060-SDE64370-20977	-	115,868
Special Education Grants to States- IDEA Part B, Section 611 entitlement 2021 non-public	84.027A	12060-SDE64370-20977	-	131,417
Special Education Grants to States- IDEA Part B, Section 611 - handicapped 2021	84.027A	12060-SDE64370-20977	-	417,393
Special Education Grants to States- Special Education Stipend-Activities 2021	84.027A	12060-SDE64370-20977	-	9,951
Total Special Education- Grants to States (IDEA, Part B)			-	7,848,655
<b>Total Special Education Cluster (IDEA)</b>			-	<b>7,998,813</b>

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education, Continued</b>				
Passed through the State of Connecticut				
Department of Education, Continued:				
Twenty-First Century Community Learning Centers:				
21st Century Community Learning Center 2021	84.287C	12060-SDE64370-20863	\$ -	\$ 133,208
21st Century Community Learning Center cohort 2021	84.287C	12060-SDE64370-20863	-	188,242
21st Century Community Learning Center cohort 2023	84.287C	12060-SDE64370-20863	-	172,019
21st Century Community Learning Center 3 yr 2020	84.287C	12060-SDE64370-20863	-	51,692
21st Century Community Learning Center 2020	84.287C	12060-SDE64370-20863	-	40,778
21st Century Community Learning Center Supp 2yr 2020	84.287C	12060-SDE64370-20863	-	34,531
21st Century Community Learning Center Supp 3yr 2020	84.287C	12060-SDE64370-20863	-	31,446
<b>Total Twenty-First Century Community Learning Centers</b>			-	<b>651,916</b>
English Language Acquisition State Grants:				
Title III Part A English Language Acquisition -2023	84.365A	12060-SDE64370-20868	-	182,947
Title III Part A English Language Acquisition YR2 2022	84.365A	12060-SDE64370-20868	-	187,567
Title III Part A English Language Acquisition YR2 2020	84.365A	12060-SDE64370-20868	-	23,737
<b>Total English Language Acquisition State Grants</b>			-	<b>394,251</b>
Career and Technical Education -Basic Grants to States 2023	84.048A	12060-SDE64370-20742	-	457,520
Student Financial Assistance Cluster:				
Federal Pell Grant Program- FAFSA Challenge 2021	84.063	12060-SDE64370-29571	-	20,808
Education Stabilization Fund (ESF):				
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	14,647,851
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	196,950
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	18,875
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	13,683
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	16,381
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021	84.425D	12060-SDE64370-29571	-	3,410
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021 Special Ed Recovery -ARPA	84.425D	12060-SDE64370-29571	-	120,000
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021 Special Ed Recovery -Bonus Special Populations ARPA	84.425D	12060-SDE64370-29571	-	23,727
COVID- 19 - Elementary and Secondary School Emergency Relief Fund 2021 Special Ed Recovery -Bonus Dyslexia Recovery ARPA	84.425D	12060-SDE64370-29571	-	28,425
<b>Total Elementary and Secondary School Emergency Relief Fund</b>			-	<b>15,069,302</b>
COVID -19- American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund- Summer Enrichment 2021	84.425U	12060-SDE64370-29636	-	24,507,883
COVID -19- American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund- After School Enhancement 2021	84.425U	12060-SDE64370-29636	-	89,447
<b>Total American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund</b>			-	<b>24,597,330</b>
COVID- 19- ARP ESSER Homeless Children & Youth (HCY) 2021	84.425W	12060-SDE64370-29650	-	170,019
<b>Total Education Stabilization Fund-School Emergency Relief II</b>			-	<b>39,836,651</b>
<b>Total Passed Through the State of Connecticut</b>				
<b>Department of Education</b>				
			-	<b>64,095,390</b>
<b>Total U.S. Department of Education</b>				
			-	<b>66,172,686</b>

(Continued)

**City of New Haven, Connecticut**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Election Assistance Commission</b>				
Passed through the State Office of the Secretary of State:				
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465	\$ -	\$ 21,064
<b>Total U.S. Election Assistance Commission</b>			<b>-</b>	<b>21,064</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Direct Programs:</b>				
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)				
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	N/A	4,824,099	5,516,771
<b>Total HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)</b>			<b>4,824,099</b>	<b>5,516,771</b>
Head Start Cluster:				
Head Start Program	93.600	N/A	-	5,544,903
COVID-19- Head Start Program-ARP-American Rescue Plan	93.600	N/A	-	324,166
COVID-19- Head Start CARES Act	93.600	N/A	-	150,000
CERRSA Head Start	93.600	N/A	-	50,430
<b>Total Head Start Cluster</b>			<b>-</b>	<b>6,069,499</b>
Community Programs To Improve Minority Health Grant Program	93.137	N/A	-	2,470,837
<b>Total Direct</b>			<b>4,824,099</b>	<b>14,057,107</b>
Passed through the State Department of Public Health:				
State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes- 2021	93.366	12060-DPH-48834-22740	-	51,443
Immunization Cooperative Agreements- Children 2021	93.268	12060-DPH48664-20911	-	144,932
Immunization Cooperative Agreements- Children 2021	93.268	12060-DPH48664-29627	-	399,755
Immunization Cooperative Agreements -Vaccines non cash -VFC	93.268	non-contract	-	31,196
			-	575,883
COVID 19-Epidemiology & Laboratory Capacity for Infectious Disease 2022	93.323	12060-DPH48557-29582		195,710
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds-2020	93.758	12060-DPH48882-22664	-	57,992
Maternal and Child Health Block Grant to the States 2023	93.994	12060-DPH48500-17019	-	137,500
<b>Total - Passed Through the State Department of Public Health</b>			<b>-</b>	<b>1,018,528</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>4,824,099</b>	<b>15,075,635</b>
<b>U.S. Department of Homeland Security</b>				
Passed through the State of Connecticut				
Department of Public Safety:				
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	-	70,797
Disaster Grants-Public Assistance (Presidentially Declared Disasters) -FEMA Storm Isaias - DR4580	97.036	12060-DPS32990-21891	-	724,709
<b>Total - Passed Through the State Department of Public Safety</b>			<b>-</b>	<b>795,506</b>

(Continued)

**City of New Haven, Connecticut**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Homeland Security, Continued</b>				
<b>Direct Programs:</b>				
Port Security Grant Program- 2019 - FEMA -FED ID:EMW-2019-PU 00136	97.056	N/A	\$ -	\$ 9,657
Port Security Grant Program- 2020- FEMA- FED ID: EMW-2020-PU-00460	97.056	N/A	-	124,633
<b>Total Port Security Grant Program</b>			-	134,290
Assistance to Firefighters Grant- FEMA ID: EMV-2019-FG-10415	97.044	N/A	-	795,019
<b>Total U.S. Department of Homeland Security</b>			-	1,724,815
<b>Total Expenditures of Federal Awards</b>			\$ 7,408,897	\$ 125,328,520

See notes to schedule of expenditures of federal awards.

## City of New Haven, Connecticut

### Notes to Schedule of Expenditures of Federal Awards

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of New Haven, Connecticut (the City), under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

#### **Note 2. Summary of Significant Accounting Principles**

Expenditures are recognized in accordance with the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Non-Cash Awards**

Donated commodities in the amount of \$890,529 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing Number 10.565. The amount represents the market value of commodities received.

Donated vaccines in the amount of \$31,196 are included in the Department of Public Health Assistance Listing Number 93.268. The amount represents the market value of vaccines received.

#### **Note 4. Indirect Cost Recovery**

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

**City of New Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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I. Summary of Auditor's Results

*Financial Statements*

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

Unmodified

Internal control over Financial Reporting:

Material weakness(es) identified?	<u> X </u>	Yes	<u>     </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u>     </u>	None reported
Noncompliance material to financial statements noted?	<u>     </u>	Yes	<u> X </u>	No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?	<u>     </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u>     </u>	None reported

Type of auditor's report issued on compliance for major federal programs: unmodified

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

X  Yes       No

*Identification of Major Federal Programs*

Assistance Listings Numbers	Name of Federal Program or Cluster
10.553/10.555/10.559/10.582	Child Nutrition Cluster
14.900	Lead Hazard Reduction Grant Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund
84.425D	COVID 19- Elementary and Secondary School Emergency Relief
84.425U	COVID 19- American Rescue Plan- Elementary and Secondary School Emergency Relief
84.425W	COVID 19- American Rescue Plan- Elementary and Secondary School Emergency Relief- Homeless Children and Youth

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

\$3,000,000

Auditee qualified as low-risk auditee?

     Yes  X  No

**City of New Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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II. Financial Statement Findings

**Finding 2023-001: Material Weakness, Internal Controls over Change of Vendor Payment Information**

**Criteria:**

The City's management is responsible for maintaining an effective internal controls system over vendor payment information changes.

**Condition:**

The City was notified that approximately \$5.9 million in payments to a vendor were not received due to a Business Email Compromise whereby a threat actor spoofed the vendor's email after gaining access to a City Board of Education (BOE) employee's email account from their personal cell phone, leading to a request for changes in payment information.

**Context:**

An unauthorized third party accessed a City BOE employee's email and impersonated a vendor via a spoofed email address.

**Cause:**

The cause is the lack of effective controls over changes in vendor payment information.

**Effect:**

Management made payments to an unauthorized party and the full amount of the loss has not yet been recovered.

**Recommendation:**

We recommend the City of New Haven implement recommendations provided by the security consultants over the City's cyber security as well as recommendations provided by consultants over the City's finance policies and procedures in order to ensure suspicious activity is identified and eradicated in a timely manner.

**Views of Responsible Officials:**

Management agrees with the finding.

**Finding 2023-002: Significant Deficiency, Audit Readiness**

**Criteria:**

The City's management is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, where applicable, cash flows for governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City. Under a good system of internal control, all significant accounts should be reconciled on a regular basis to the underlying documentation, and thoroughly reviewed by a supervisory employee (other than the preparer), with necessary adjustments recorded timely.

**Condition:**

There were certain aspects of the financial reporting and audit documentation requests, specifically implementation of GASB 96 , *Subscription-Based Information Technology Arrangements*, and the cyber incident that occurred, that were not provided until after the March 31, 2023 financial reporting deadline.

**City of New Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Context:**

Information was received after the audit scheduled time resulting in delays in completing the audit.

**Cause:**

The cause is attrition that resulted in delays in both the Financial Statement Audit and Single Audit.

**Effect or Potential Effect:**

Management may not have accurate financial information upon which to base management decisions.

In addition, late filings result in noncompliance with the requirements of the Uniform Guidance and makes the City ineligible for consideration as a low risk auditee under Uniform Guidance, expanding the scope and cost of the single audit.

**Recommendation:**

We recommend the City improve its year-end financial reporting close process, which includes implementing effective pronouncements in a more timely manner.

**Views of Responsible Officials:**

Management agrees with the finding.

III. Federal Award Findings and Questioned Costs

**Finding 2023-003: Significant Deficiency and Noncompliance Finding, Reporting-Annual**

**Assistance Listing Program Title and Number:** Lead Hazard Reduction Grant Program 14.900

**Federal Agency:** U.S. Department of Housing and Urban Development

**Pass-through Entity:** N/A

**Award year:** 2019

**Criteria or specific requirement:**

Under the Lead-Based Paint Hazard Reduction Grant Program Terms and Conditions issued by the U.S. Department of Housing and Urban Development, Cities were required to submit an annual race and ethnic data reporting form HUD-27061 covering the period from July 1, 2021 to June 30, 2022 by January 10, 2023.

**Condition:**

Based on our testing of required quarterly and annual reports we determined the annual report was not submitted as required.

**Context:**

There was one annual report required to be submitted during the audit period that was not filed. Other required quarterly reporting was filed timely.

**Cause:**

City employees responsible for grant management and reporting missed the required submission of the annual report. The City did not have sufficient internal controls in place to ensure all reports were filed as required.



**City of New Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Effect:**

The report should be submitted by the deadline. This results in non-compliance with certain provisions of the reporting requirements of the program. This can result in the Federal government cancelling funding of the program or denying eligible expenditures.

**Questioned Cost:**

None

**Repeating Finding:**

No.

**Recommendation**

We recommend that the City implement controls to ensure all compliance requirements are complied with as well as contact the grantor about whether or not the delinquent reports should still be filed.

**Views of Responsible Officials:**

Management agrees with the finding.

**Finding 2023-004: Significant Deficiency and Noncompliance Finding, Late Issuance of the 2023 and 2022 Single Audit Reporting Packages**

Applicable to all assistance listing numbers (ALN's) and federal agencies (and passthrough entities) included on the accompanying schedule of expenditures of federal awards for the years ended June 30, 2023 and June 30, 2022.

**Criteria/Context:**

Uniform Guidance 2 CFR 200.512(a) requires that each organization's audit must be completed and the data collection form and reporting package should be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period.

**Condition/Finding:**

The Single Audit packages for the City's fiscal year ended June 30, 2023 and June 30, 2022, should have been submitted to the Federal Audit Clearinghouse by March 31, 2024 and March 31, 2023, respectfully. The City missed the filing deadlines, making the filings for 2023 and 2022 late.

**Context:**

The Single Audit Reporting Package and the data collection form for fiscal year 2022 were submitted to the single audit clearing house on August 15, 2023. The fiscal 2023 Single Audit Reporting Package and data collection form will likely be submitted after July 31, 2024.

**Cause:**

The cause is the lack of effective controls over financial reporting which resulted in delays in issuing both the Financial Statement Audit and Single Audit.

**Effect or Potential Effect:**

This can result in errors reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

In addition, late filings result in noncompliance with the requirements of the Uniform Guidance and makes the City ineligible for consideration as a low risk auditee under Uniform Guidance, expanding the scope and cost of the single audit.

**City of New Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Recommendation:**

We recommend the City evaluate the process and design of internal controls over financial reporting, including the SEFA and SESA, in order to ensure readiness for the audit and to avoid late filing of the single audit reporting package and data collection form.

**Views of Responsible Officials:**

Management agrees with the finding.

**Questioned Costs:**

None

**Repeat Finding:**

No.



**City of New Haven**  
**Office of Management and Budget**  
**Justin M. Elicker, Mayor**  
**Michael Gormany, City Budget Director and Acting Controller**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2022-001- Procurement and Suspension, and Debarment - Internal Control over Verification  
Against the System for Award Management (“SAM”)**

**Audit Finding:** The City did not have documentation to support that it verified vendors selected for testing against the SAM to ensure that they were not suspended or debarred from federally—funded purchases.

**Corrective Action Taken:** Audit finding has been fully corrected.

**Implementation:** The FY 2021-2022 audit was completed around July 2023, which was only three months ago. Part of the audit was the above-mentioned audit finding. The City of New Haven, Department of Finance hired a Purchasing Agent on August 28, 2023. The City is in the process of implementing an internal process for verification on SAM.Gov with the New Purchasing Agent. This is in addition to new procurement measures that were passed by the Board of Alders in October 2023. OMB, Finance, and Purchasing are working on guidelines to send to departments which will include the above audit finding. In the meantime, OMB and Purchasing have logins to check SAM.gov for any vendor suspensions or debarments.

**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***

**Independent Auditor's Report**

Members of the Board of Finance  
City of New Haven, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 11, 2024. Our report includes a reference to other auditors who audited the financial statements of the New Haven Parking Authority, a component unit of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. Our report included an emphasis of matter paragraph due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **City of New Haven's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

*RSM US LLP*

Hartford, Connecticut  
September 11, 2024

**Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of State Financial Assistance Required by the State Single Audit Act**

**Independent Auditor's Report**

Members of the Board of Finance  
City of New Haven, Connecticut

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

***Opinion on Each Major State Program***

We have audited the City of New Haven, Connecticut's (the City) compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2023. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Other Matter- State Expenditures Not Included in the State Compliance Audit***

The City's basic financial statements include the operations of the New Haven Parking Authority, which expended \$3,370,457 in state awards which is not included in the City's schedule of expenditures of state financial assistance during the year ended June 30, 2023. Our state compliance audit, described in the "Opinion on Each Major State Program", does not include the operations of the New Haven Parking Authority because the New Haven Parking Authority engaged other auditors to perform an audit of state compliance.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated September 11, 2024, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter for the adoption of GASB Statement No. 96, *Subscription-Based IT Arrangements*. Our opinion was not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RSM US LLP*

Hartford, Connecticut  
September 11, 2024



City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2023

State Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
<b>Office of Policy and Management:</b>			
Local Capital Improvement Program	12050-OPM20600-40254	\$ -	\$ 1,623,084
Property Tax Relief for Totally Disabled	11000-OPM20600-17011	-	9,226
Property Tax Relief for Veterans	11000-OPM20600-17024	-	31,424
State Distressed Municipalities	11000-OPM20600-17016	-	12,832
Municipal Grants -in aid	12052-OPM20600-43587	-	2,214,643
Body and Dash Cameras	12052-OPM20600-43760	-	401,801
PILOT State Distressed Municipalities	12052-OPM20600-43750	-	45,445
Tiered Payment In Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	-	19,542,042
Tiered Payment In Lieu of Taxes (PILOT)	12060-OPM20600-17111	-	72,318,328
Municipal Revenue Sharing	12060-OPM20600-35458	-	1,430,865
<b>Total Office of Policy and Management</b>		-	<b>97,629,690</b>
<b>Department of Emergency Services and Public Protection</b>			
State Forfeiture Revolving Fund	12060-DPS32155-35142	-	1,338
Enhanced 911 Telecommunications Fund	12060-DPS32741-35190	-	894,697
Fire Training School	11000-DPS32251-16034	-	48,364
Local Officer Incentive- ARPA gun task FORCE	12060-DPS32521-28121	-	33,600
<b>Total Department of Emergency Services and Public Protection</b>		-	<b>977,999</b>
<b>Department of Economic and Community Development:</b>			
Urban Action Bonds-New Haven Green Improvements	13019-ECD46210-41240	-	93,529
Urban Action Bonds-Downtown Crossing Project Phase II project 92-659	13019-ECD46210-41240	-	968,084
Urban Action Bonds- 101 College St Infrastructure	13019-ECD46250-41240	-	1,560,306
Urban Action Bonds- Dixwell Community Center-Q House	13019-ECD46210-41240	-	28,603
Urban Action Bonds- Reconstruction of Public Works Facility 2019	13019-ECD46000-41240	-	1,810,895
Local Transportation Capital Improvement Program - 101 College St Infrastructure	13033-ECD46250-43584	-	1,741,209
Special Act Grants- Downtown Crossing RTE 34/Mid Block	12052-ECD46210-40414	-	248,682
Manufacturing Assistance Act- CT Communities Challenge Grant-State Street Corridor improvements	12035-ECD46000-40226	-	7,616
<b>Total Department of Economic and Community Development</b>		-	<b>6,458,924</b>
<b>Department of Energy and Environmental Protection:</b>			
Fairmont Park Improvements	13019-DEP43153-41239	-	56,369
DeGale Field Improvements (CUAP 2019-07)	13019-DEP43153-41239	-	1,260
Memorial Gardens	13019-DEP43153-41239	-	799
Living Shoreline	12052-DEP43740-43657	-	67,160
Community Gardens (CommonGround)	12060-DEP43153-35328	-	39,540
<b>Total Department of Energy and Environmental Protection</b>		-	<b>165,128</b>

(Continued)

**City of New Haven, Connecticut**

**Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2023**

State Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
<b>Department of Public Health:</b>			
Local & District Depts of Health (Per Capita Funding)	11000-DPH48500-17009	\$ -	\$ 258,720
School Based Health Clinics	11000-DPH48500-17019	-	1,164,921
Non-cash Assistance Vaccines State Private Insurance-non contract	12004-DPH48500-12563	-	2,998
<b>Total Department of Public Health</b>		<b>-</b>	<b>1,426,639</b>
<b>Department of Transportation:</b>			
Community Connectivity Grant- Downtown West Edgewood project	13033-DOT57197-43667	-	648,391
Local Transportation Capital Improvement Program- CHAPEL STREET BRIDGE	13033-DOT57197-43584	-	381
Local Bridge Program Transportation Fund- Rehab of Grand Ave Bridge Project	13033-DOT57191-43456	-	147,331
Community Connectivity Grant- Ella Grasso Blvd 0170-3513 Let's Go CT Ramp	13033-DOT57551-43667	-	267,442
<b>Total</b>		<b>-</b>	<b>1,063,545</b>
Town Aid Road Grant - STO	13033-DOT57131-43459	-	637,383
Town Aid Road Grant - Municipal	12052-DOT57131-43455	-	637,383
<b>Total Town Aid</b>		<b>-</b>	<b>1,274,766</b>
<b>Total Department of Transportation</b>		<b>-</b>	<b>2,338,311</b>
<b>Department of Social Services:</b>			
Food Stamp Education	12060-DSS60799-20735	-	9
<b>Total Department of Social Services</b>		<b>-</b>	<b>9</b>
<b>Office of Early Childhood:</b>			
Child Daycare - Infant and Toddler -COLA	11000-OEC64841-16274	-	98,925
Child Daycare - Infant and Toddler 2023	11000-OEC64841-16274	-	1,762,749
Child Daycare - Infant and Toddler Expansion	11000-OEC64841-16274	-	145,125
Child Daycare - Infant and Toddler -Facility	11000-OEC64841-16274	-	600,000
School Readiness 2022	11000-OEC64845-16274	-	5,428,359
School Readiness Priority COLA 2023	11000-OEC64845-16274	-	579,000
Quality Enhancement 2023	11000-OEC64845-16158	-	79,634
Head Start Expansion 2022	11000-OEC64845-16101	-	104,007
<b>Total Office of Early Childhood</b>		<b>-</b>	<b>8,797,799</b>
<b>Department of Housing:</b>			
Neighborhood Renewal Program	12065-DOH46915-40240	-	45,000
Dixwell Avenue Housing Redevelopment Project	13019-DOH46900-43598	-	1,000,000
<b>Total Department of Housing</b>		<b>-</b>	<b>1,045,000</b>

(Continued)

**City of New Haven, Connecticut**

**Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2023**

State Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
<b>Department of Education:</b>			
Adult Education Provider -84002-2022	11000-SDE64370-17030	\$ -	\$ 5,080,000
Adult Education Cooperating Eligibility Entity-84004-2022	11000-SDE64370-17030	-	85,912
<b>Total Adult Ed</b>		-	5,165,912
Family Resource Centers Program - 82079 2022	11000-SDE64370-16110	-	406,406
ASTE-Vocational Education Agriculture	11000-SDE64370-17017	-	1,769,412
Child Nutrition Program Lunch State Match	11000-SDE64370-16211	-	105,363
School Breakfast Program	11000-SDE64370-17046	-	109,143
Nonpublic Health Services	11000-SDE64370-17034	-	32,900
Open Choice Supplemental for Increased Enrollment 2022	11000-SDE64370-17053	-	414,109
School Accountability Summer School 2022	11000-SDE64370-17109	-	364,944
Bilingual Education 2022	11000-SDE64370-17042	-	393,539
Priority School Districts 2022	11000-SDE64370-17043	-	4,415,953
Extended School Hours 2022	11000-SDE64370-17108	-	306,100
Magnet School Operating 2022	11000-SDE64370-17057	-	30,971,205
Magnet School Transportation	11000-SDE64370-12632	-	2,948,400
ECS - Alliance District 2022	11000-SDE64370-17041	-	20,904,172
Healthy Foods Initiative	11000-SDE64370-16212	-	198,574
Commissioner's Network 2022	11000-SDE64370-12547	-	312,826
TEAM- Talent Development	11000-SDE64370-12552	-	35,790
After School Grant	11000-SDE64370-17084	-	161,878
After School Grant- First Robotics Competitive Mini Grant	11000-SDE64370-17084	-	6,250
<b>Total Department of Education</b>		-	69,022,876
<b>Department of Children and Families:</b>			
Youth Service Bureau	11000-DCF91141-17052	-	117,006
Youth Service Bureau Enhancement	11000-DCF91141-17107	-	6,500
<b>Total Department of Children and Families</b>		-	123,506
<b>Division of Consumer Protection:</b>			
Payment to Town OTB	34004-DCP39930-40001	-	431,274
<b>Total Division of Consumer Protection</b>		-	431,274
<b>Judicial Branch:</b>			
Distributions to Towns	34001-JUD95162-40001	-	53,968
<b>Total Judicial Branch</b>		-	53,968

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2023

State Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
<b>State Library:</b>			
Connecticard	11000-CSL66051-17010	\$ -	\$ 1,257
Historical Documents Preservation	12060-CSL66094-35150	-	10,500
<b>Total State Library</b>		-	<u>11,757</u>
<b>Department of Agriculture:</b>			
Connecticut Agriculture Bureau-Shellfish FY23	34003-DAG-42660-42337	-	32,807
<b>Department of Mental Health &amp; Addiction Services</b>			
Academic Detailing for Opioid Prevention	12060-MHA53282-22921	-	58,437
<b>Total Department of Mental Health &amp; Addiction Services</b>		-	<u>58,437</u>
<b>Total Expenditures of State Financial Assistance Before Exempt Programs</b>			
		-	<u>188,574,124</u>
<b>Exempt Programs:</b>			
<b>Office of Policy and Management:</b>			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	5,503,352
Municipal Stabilization Grant	11000-OPM20600-17104	-	1,675,450
Motor Vehicle Property Tax Grant	11000-OPM20600-17103	-	5,952,569
Municipal Revenue Sharing	11000-OPM20600-17102	-	15,246,372
<b>Total Office of Policy and Management</b>		-	<u>28,377,743</u>
<b>Department of Education:</b>			
Education Equalization Grants	11000-SDE64370-17041	-	142,686,698
Excess Cost- Student Based	11000-SDE64370-17047	-	4,933,646
<b>Total Department of Education</b>		-	<u>147,620,344</u>
<b>Total Exempt Programs</b>			
		-	<u>175,998,087</u>
<b>Total Expenditures of State Financial Assistance</b>			
		\$ -	<u>\$ 364,572,211</u>

See notes to schedule of expenditures of state financial assistance.

## City of New Haven, Connecticut

### Notes to Schedule of Expenditures of State Financial Assistance

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City, under programs of the State of Connecticut for the year ended June 30, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City.

The City's schedule of expenditures of state financial assistance does not include the state financial assistance of the City's discretely-presented component unit, the New Haven Parking Authority.

#### **Note 2. Summary of Significant Accounting Policies**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations, and accordingly, expenditures and revenues are reported on the modified accrual basis of accounting. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

**City of New Haven, Connecticut**

**Schedule of State Single Audit Compliance Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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I. Summary of Auditor's Results

*Financial Statements*

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>      </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*State Financial Assistance*

Internal control over major programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None reported

Type of auditor's report issued on compliance for major programs: unmodified.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

       Yes      X   No

The following schedule reflects the major programs included in the State Single Audit.

State Grantor and Program	State CORE-CT Number	Expenditures
<b>Office of Policy and Management</b>		
Tiered PILOT/MRSA- Tiered PILOT/Municipal Revenue Sharing	11000-OPM20600-17111/ 12060-OPM20600-35691/ 12060-OPM20600-35458	\$ 93,291,235
<b>Department of Education</b>		
Magnet School Operating 2022	11000-SDE64370-17057	30,971,205
<b>Office of Early Childhood</b>		
School Readiness	11000-OEC64845-16274	6,007,359
<b>Department of Economic and Community Development:</b>		
Urban Action Bonds	13019-ECD46210-41240	4,461,417
<b>Department of Transportation:</b>		
Community Connectivity Grant	13033-DOT57197-43667/13033-DOT57551-43667	915,833

**City of New Haven, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2023**

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Dollar threshold used to distinguish between  
Type A Programs and Type B Programs

\$ 3,771,482

II. Financial Statement Findings

Our report on internal control over financial reporting disclosed two matters that we consider to be a material weakness and a significant deficiency.

III. State Financial Assistance Findings and Questioned Costs

No matters were reported.