

City of New Haven, Connecticut

Federal and State
Compliance Report
Year Ended June 30, 2020

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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

Honorable Mayor and Board
of Alders of the City of New Haven
New Haven, Connecticut

Report on Compliance for Each Major Federal Program

We have audited City of New Haven, Connecticut's (the City) 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 City's major federal programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the City 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 City'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 an 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 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. *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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 27, 2021, which contained unmodified opinions on those financial statements. 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 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

New Haven, Connecticut
May 27, 2021

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through the State of Connecticut				
Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560	-	\$ 5,706,825
COVID-19 - National School Lunch Program - CARES Act	10.555	12060-SDE64370-29572	-	488,975
USDA Commodities-Noncash	10.555	N/A	-	934,864
School Breakfast Program	10.553	12060-SDE-64370-20508	-	2,538,771
COVID-19 - School Breakfast Program - CARES Act	10.553	12060-SDE-64370-29576	-	218,194
Summer Food Serv Prog - Oper.	10.559	12060-SDE64370-20540	-	527,730
Summer Food Serv Prog - Admin	10.559	12060-SDE64370-20548	-	71,474
COVID-19 - Summer Food Service Program - Admin - CARES Act	10.559	12060-SDE64370-29573	-	146,462
COVID-19 - Summer Food Service Program - Oper - CARES Act Oper.	10.559	12060-SDE64370-29574	-	1,592,345
Total Child Nutrition Cluster				<u>12,225,640</u>
Fresh Fruit & Vegetables	10.582	12060-SDE64370-22051	-	58,400
Child and Adult Care Food Program	10.558	12060-SDE64370-20518		98,646
Child and Adult Care Food Program	10.558	12060-SDE64370-20544		21,617
COVID-19 - Child and Adult Care Food Program - CARES Act	10.558	12060-SDE64370-29575	-	<u>219,055</u>
Total U.S. Department of Agriculture				<u>12,623,358</u>
U.S. Department of Housing and Urban Development				
Direct Program:				
Community Development Block Grant	14.218	N/A	822,160	3,417,616
CDBG Program Income	14.218	N/A	-	37,800
Total Community Development Block Grant - Entitlement Grants Cluster				<u>3,455,416</u>
UDAG Program Income	14.221	N/A		<u>73,060</u>
Emergency Solutions Grant Program	14.231	N/A	309,936	<u>310,457</u>
HOME Investment Partnerships Program	14.239	N/A	-	872,890
HOME Program Income	14.239	N/A	-	<u>24,065</u>
Total HOME Investment Grant				<u>896,955</u>
Housing Opportunities for Persons with AIDS	14.241	N/A	1,064,773	<u>1,098,284</u>
Lead Based Paint Hazard Control Program	14.900	N/A	-	<u>73,739</u>
Total - Direct				<u>5,907,911</u>

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (continued)				
Passed through the State of Connecticut				
Office of Economic and Community Development:				
CDBG-Disaster Relief - Church St resident plan (DR6216)	14.228	12060-DOH46961-29516	-	\$ 69,245
CDBG-Disaster Relief - Union Av Mitigation & Resiliency (DR7213)	14.256	12060-DOH46961-29520	-	511,209
Total -passed through - OECD				<u>580,454</u>
Total U.S. Department of Housing and Urban Development				<u>6,488,365</u>
U.S. Department of Justice				
Direct Program:				
Federal Surplus Property Program	16.578	N/A	-	167,803
Second Chance Act	16.812	2015-CZ-BX-0010	-	20,778
Bryne Grant: Bryne Criminal Justice Innov Prog.	16.817	2014-AJ-BX-0017	-	145,555
COVID-19 - 2020 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0435		72,103
				<u>406,239</u>
Justice Assistance Grant Cluster:				
Edward Byrne Memorial Justice Association Grant 2016	16.738	N/A	-	1,156
Edward Byrne Memorial Justice Association Grant 2017	16.738	N/A	-	9,467
Edward Byrne Memorial Justice Association Grant 2018	16.738	N/A	-	18,110
Edward Byrne Memorial Justice Association Grant 2019	16.738	N/A	-	22,261
Total Justice Assistance Grant Cluster				<u>50,994</u>
Total -Direct				<u>457,233</u>
Passed through Office of Policy and Management:				
Juvenile Review Board Grant 2016-JF-FX-0031,0059	16.540	12060-OPM20350-21676	-	53,442
Edward Byrne Memorial Justice Associate Grant Program	16.738	12060-OPM20350-21921		23,925
				<u>77,367</u>
Total U.S. Department of Justice				<u>534,600</u>
U.S. Department of Environmental Protection Agency				
Passed through the State of Connecticut Department of Environmental Protection:				
Brownfield Revolving Loan bf-96132701-0	66.818	12060-ECD46260-35533	-	619,258
Total U.S. Department of Environmental Protection Agency				<u>619,258</u>

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identification Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation				
Passed through the State of Connecticut				
Department of Transportation:				
Highway Planning and Construction Cluster:				
Rt. 34 Construction 92-614	20.205	12062-DOT57191-22108	-	\$ 153
Rt. 34 Construction Supplemental 92-614	20.205	12062-DOT57191-22108	-	40,996
Boathouse Canal Dock 92-570	20.205	12062-DOT57161-22108	-	89,819
East Rock Bridge 04419 Construct Project 92-635	20.205	12062-DOT57191-22108	-	6,484
Rehab of Grand Ave Bridge 92-657	20.205	12062-DOT57191-22108	-	6,602,877
Rehab of Grand Ave Bridge 92-657 FY20	20.205	12062-DOT57191-22108	-	259,712
Total - passed through State of Connecticut Department of Transportation				<u>7,000,041</u>
Farmington Canal Heritage Trail 92-621	20.205	14DOT0121AA/H077-(004)		16,000
Total Highway Planning and Construction Cluster				<u>7,016,041</u>
Wayfinding Installation FED-TCSP (20) Project 92-661	20.xxx	12062-DOT57161-22108		<u>87,625</u>
RT 34 Downtown Crossing TIGER	20.933	12062-DOT57161-22539	-	<u>2,632,223</u>
DUI Comprehensive Enforcement (0722)	20.607	12062-DOT57513-22091	-	181,751
Distracted Driving-0194-0745-ac (0745)	20.607	12062-DOT57513-22600	-	33,155
Non Motorized Enforcement (0746) 3-AE W1	20.607	12062-DOT57513-22600		<u>14,381</u>
Total Alcohol Open Container Requirements				<u>229,287</u>
Total U.S. Department of Transportation				<u>9,965,176</u>
U .S. Department of Education				
Magnet School Assistance:				
NH Magnet Schools Project 2016-19	84.166	N/A	-	1,884,358
NH Magnet Schools Project 2017-22	84.166	N/A	-	2,863,688
Total Magnet School Assistance				<u>4,748,046</u>
Impact Aid Title I	84.041	N/A	-	48,790
Impact Aid Title I c/o	84.041	N/A	-	6,988
				<u>55,778</u>
Total - Direct				<u>4,803,824</u>

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Federal Expenditures
U .S. Department of Education, Continued				
Passed through the State of Connecticut				
Department of Education:				
Title I Part A, Cluster:				
Title I - Improving Basic Programs 2020	84.010	12060-SDE64370-20679	-	\$ 7,266,693
Title I - Improving Basic Programs 2020 non pub	84.010	12060-SDE64370-20679	-	76,388
Title I - Improving Basic Programs - 2019 non public	84.010	12060-SDE64370-20679	-	17,870
Title I - Improving Basic Programs 2019	84.010	12060-SDE64370-20679	-	2,663,320
Title 1 PART A 1003 (SIG) 2020	84.010	12060-SDE64370-20679	-	54,764
Title 1 PART A 1003 (SIG) 2020-sde0005	84.010	12060-SDE64370-20679	-	155,823
Title 1 PART A 1003 (SIG) 2020-sde0006	84.010	12060-SDE64370-20679	-	87,061
Title 1 PART A 1003 (SIG) 2020-sde0007	84.010	12060-SDE64370-20679	-	59,051
Title 1 PART A 1003 (SIG) 2020-sde0008	84.010	12060-SDE64370-20679	-	124,268
Title 1 PART A 1003 (SIG) 2020-sde0009	84.010	12060-SDE64370-20679	-	103,691
Title 1 PART A 1003 (SIG) 2020-sde 10	84.010	12060-SDE64370-20679	-	133,347
Title 1 PART A 1003 (SIG) 2018-sde 119	84.010	12060-SDE64370-20679	-	2,761
Title 1 PART A 1003 (SIG) 2019-sde C/O	84.010	12060-SDE64370-20679	-	32,732
Title 1 PART A 1003 (SIG) 2019-sde5 C/O	84.010	12060-SDE64370-20679	-	33,511
Title 1 PART A 1003 (SIG) 2019-sde 6	84.010	12060-SDE64370-20679	-	43,253
Title 1 PART A 1003 (SIG) 2019-sde 7	84.010	12060-SDE64370-20679	-	6,810
Title 1 PART A 1003 (SIG) 2019-sde 8	84.010	12060-SDE64370-20679	-	4,067
Title 1 PART A 1003 (SIG) 2019-sde 9	84.010	12060-SDE64370-20679	-	1,288
Total Title I Part A Cluster				10,866,699
School Improvement Grants Cluster:				
School Improvement (SIG) 1003(g) 2015 c/o	84.377	12060-SDE64370-22223	-	270,569
School Improvement (SIG) 1003(g) 2017 c/o	84.377	12060-SDE64370-22223	-	404,041
School Improvement (SIG) 1003(g) 2017 sde5	84.377	12060-SDE64370-22223	-	350,861
Total School Improvement Grants Cluster				1,025,471
Education of Homeless Children & Youth 2020	84.196	12060-SDE64370-20770	-	48,089
Total Education of Homeless Children and Youth				48,089
Adult Education - Improvement 2020	84.002	12060-SDE64370-20784	-	109,671
Hurricane Recovery-Assist for Homeless Child/Youth 2019	84.9389B	12060-SDE64370-22939	-	9,003
Title II, Part A, Teachers Training 2019	84.367A	12060-SDE64370-20858	-	101,645
Title II, Part A, Teachers Training 2020	84.367A	12060-SDE64370-20858	-	770,102
Total Title II, Part A Teachers Training				871,747
Student Support & Academic Enrichment 2019	84.424	12060-SDE64370-22854	-	353,895
Student Support & Academic Enrichment 2020	84.424	12060-SDE64370-22854	-	6,375
Total Student Support & Academic Enrichment				360,270

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Education, Continued				
Passed through the State of Connecticut				
Department of Education, Continued:				
Special Education Cluster:				
IDEA Part B, Section 611 entitlement 2020	84.173	12060-SDE64370-20977	-	\$ 5,333,532
IDEA Part B, Section 619 Preschool incentive 2020	84.027	12060-SDE64370-20983	-	92,375
IDEA Part B, Section 611 entitlement 2020 non-public	84.173	12060-SDE64370-20977	-	236,204
IDEA Part B, Section 611 handicapped c/o 2019	84.173	12060-SDE64370-20977	-	1,133,506
IDEA Part B, Section 611 entitlement 2019 non-public c/o	84.173	12060-SDE64370-20977	-	9,381
IDEA Part B, Section 619 Preschool incentive 2019	84.027	12060-SDE64370-20983	-	12,187
Total Special Education (IDEA) Cluster				<u>6,817,185</u>
21st Century:				
21st Century Learn Center 2019 sde08	84.287C	12060-SDE64370-20863	-	2,056
21st Century Learn c/o 2018 sde07	84.287C	12060-SDE64370-20863	-	1,324
21st Century Learn Cohort XV 2020-sde09	84.287C	12060-SDE64370-20863	-	80,471
21rd Century Learn Cohort XIII c/o 2018 sde08	84.287C	12060-SDE64370-20863	-	12,339
21st Century Learn Cohort XV c/o 2019 sde09	84.287C	12060-SDE64370-20863	-	4,382
21st Century Learn 2020	84.287C	12060-SDE64370-20863	-	112,260
21st Century Learn 2019	84.287C	12060-SDE64370-20863	-	14,010
21st Century Learn c/o 2018 sde 10	84.287C	12060-SDE64370-20863	-	2,773
21st Century Learn 2020 sde 10	84.287C	12060-SDE64370-20863	-	112,697
Total 21st Century				<u>342,312</u>
Title III Part A English Language Acquisition				
Title III Part A English Language Acquisition 2019	84.365A	12060-SDE64370-20868	-	175,833
Title III Part A English Language Acquisition -2020	84.365A	12060-SDE64370-20868	-	225,869
Immigrant & Youth Education 2019	84.365A	12060-SDE64370-20868	-	91,103
Total Title III Part A English Language Acquisition				<u>492,805</u>
Carl Perkins- Career and Technical Education Act	84.048	12060-SDE64370-20742	-	279,228
Supports for Pregnant and Parenting Teens - 2019	93.500	12060-SDE64370-22439	-	51,275
Supports for Pregnant and Parenting Teens - c/o 2018	93.500	12060-SDE64370-22439	-	32,428
				<u>83,703</u>
NSLP Equipment 2019 82079	10.579	12060-SDE64370-22386	-	10,409
COVID- 19 - Education Stabilization Fund CARES School Emergency Relief	84.425D	12060-SDE64370-29571	-	646,435
Total Passed Through the State of Connecticut Department of Education				<u>21,963,027</u>
Total U.S. Department of Education				<u>26,766,851</u>

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Ryan White Formula and Supplement	93.914	N/A	1,347,832	\$ 5,221,387
Head Start Program Cluster	93.600	N/A	-	<u>5,371,542</u>
Total Direct				<u>10,592,929</u>
U.S. Department of Health and Human Services, Continued				
Passed through the State Department of Public Health:				
Maternal and Child Health Services Block 2017-0075	93.994	12060-DPH48832-21531	-	137,500
Prescription Drug Overdose (CT Opioid Response Initiative) 2017-0040	93.136	12060-DPH48882-27776	-	10,000
State Act to Improve Oral Health 2020-0027	93.366	12060-DPH48834-22926	-	36,000
Immunization Cooperative Agreements 2016-0064	93.268	12060-DPH48664-20911	-	112,059
Immunization Cooperative Agreements - Vaccines non cash	93.268	non-contract	-	36,425
Improving Hep C Care 2018-0014	93.928	12060-DPH48665-21096	-	90,012
Viral Hepatitis Prevention & Surv	93.270	12060-DPH48500-22566	-	19,519
COVID-19 - Crisis Planning	93.354	12060-DPH48500-29551	-	26,121
Total - Pass Through State Department of Public Health				<u>467,636</u>
Total U.S. Department of Health and Human Services				<u>11,060,565</u>
U.S. Department of Homeland Security				
Passed through the State of Connecticut				
Department of Public Safety:				
Emergency Management Performance Grant	97.042	12060-DPS32160-21881	-	30,456
Total - Pass Through State Department of Public Safety				<u>30,456</u>
Direct Programs:				
Port Security 2018-FEMA-FED ID:E MW-2018-PU 00360-s01	97.056	N/A	-	128,633
Firefighter Accountability System	97.044	2018-F7-C1111P431\4101D	-	141,285
Total -Direct				<u>269,918</u>
Total U.S. Department of Homeland Security				<u>300,374</u>
Total Expenditures of Federal Awards			<u>\$ 3,544,701</u>	<u>\$ 68,358,547</u>

See notes to schedule of expenditures of federal awards.

City of New Haven, Connecticut

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of New Haven, Connecticut (the City), under programs of the federal government for the year ended June 30, 2020. 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.

The Schedule does not include the federal awards, if any, of the City's discretely-presented component units which are the New Haven Parking Authority and the New Haven Solid Waste and Recycling Authority.

Note 2. Summary of Significant Accounting Principles

Expenditures are recognized in accordance with the modified accrual basis of accounting. Such expenditures are reported 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 \$934,864 are included in the Department of Agriculture's National School Lunch Program, Assistance Listings Number #10.555. The amount represents the market value of commodities received.

Donated vaccines in the amount of \$36,425 are included in the Department of Public Health Assistance Listings Number #93.268. The amount represents the market value of vaccines received.

Note 4. Indirect Cost Recovery

The City did not recover its indirect cost using the 10% de minimus indirect cost rate provided under Section 200.414 of the Uniform Guidance.

City of New Haven, Connecticut

Schedule of Findings and Questioned Costs

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 GAAP:

Unmodified

Internal control over Financial Reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X 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)? _____ Yes X No

Identification of Major Federal Programs

Assistance Listings Numbers	Name of Federal Program or Cluster
10.533/10.555/10.559	Child Nutrition Cluster
20.205	Highway Planning and Construction Cluster
20.933	RT 34 Downtown Crossing Tiger
84.425D	COVID -19 - Education Stabilization Fund CARES School Emergency Relief

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

\$2,050,756

Auditee qualified as low-risk auditee?

 X Yes _____ No

City of New Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)

II. Financial Statement Findings

No matters to report.

III. Federal Award Findings and Questioned Costs

No matters to report.



CITY OF NEW HAVEN

JUSTIN ELICKER, MAYOR

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Summary Schedule of Prior Audit Findings For the year ended June 30, 2020

Significant Deficiencies in Internal Control

2019-001

Finding: There was improper recorded of compensated absences in accordance with accounting principles generally accepted in the United States of America.

Corrective Actions Taken or Planned: The City's IT department has corrected the formula error in the database responsible for underreporting Compensated Absences. To ensure completeness of the report, the IT department will have a secondary reviewer before the report is transmitted to the Payroll Department for a final review. This was completed on December 12, 2019.

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

Honorable Mayor and Board
of Alders of the City of New Haven
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, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 27, 2021. 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 of New Haven, Connecticut'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 on separately by those auditors. In addition, this report does not include the results of the testing of internal control over financial reporting or compliance and other matters for the New Haven Solid Waste and Recycling Authority.

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 opinions 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.

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

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

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*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

New Haven, Connecticut
May 27, 2021

**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

Honorable Mayor and Board
of Alders of the City of New Haven
New Haven, Connecticut

Report on Compliance for Each Major State Program

We have audited the City of New Haven, Connecticut's (the City) 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 City's major state programs for the year ended June 30, 2020. The City's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 City'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 City's compliance.

Opinion on Each Major State Program

In our opinion, the City, complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

Management of the City 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 City'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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated May 27, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's 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 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

New Haven, Connecticut
May 27, 2021

City of New Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2020**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Office of Policy and Management:		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 2,279,419
PILOT State-Owned Property	11000-OPM20600-17004	5,146,251
PILOT Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	36,545,385
Property Tax Relief for Totally Disabled	11000-OPM20600-17011	9,001
Property Tax Relief for Veterans	11000-OPM20600-17024	42,508
Municipal Grant Aid (MRSA)	12052-OPM20660-43587	1,805,520
State Distressed Municipalities	12052-OPM20660-43740	14,711
Total Office of Policy and Management		45,842,796
Department of Emergency Services and Public Protection		
State Forfeiture Revolving Fund	12060-DPS32155-35142	8,642
Enhanced 911 Telecomm Fund	12060-DPS32741-35190	515,616
Fire Training School	11000-DPS32251-16034	48,364
Hazmat Training Grant	12060-DPS32155-22825	2,172
Total Department of Emergency Services and Public Protection		574,794
Department of Economic and Community Development:		
New Haven Green Improvements (URBAN ACT GRANT)	13019-ECD46210-41240	214,680
Downtown Crossing Project Phase II - 92-659	12052-ECD46210-40414	4,799,423
Dixwell Community Center-Q House - LM-2016-0072	13019-ECD46210-41240	6,104,037
Total Department of Economic and Community Development		11,118,140

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2020**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Energy and Environmental Protection:		
Beaver Pond	LM-2018-0732	\$ 20,950
Fort Hale Pier	13019-DEP43153-41239	31,791
Memorial Gardens	13019-DEP41239-64004	65,104
Total Department of Energy and Environmental Protection		<u>117,845</u>
Department of Public Health:		
Local & District Depts of Health (Per Capita Funding)	11000-DPH48500-17009	139,137
School Based Health Clinics 2017-0075	11000-DPH48500-17019	1,203,182
Vaccines non cash	12004-DPH48500-12563	7,166
Venereal Disease Control 2018-0014	12004-DPH48500-17013	26,400
X-ray Screening & Tuberculosis Control 2018-0014	12004-DPH48500-16112	70,000
Total Department of Public Health		<u>1,445,884</u>
Department of Housing		
Neighborhood Renewal Program	12060-DOH46920-40237	209,841
Neighborhood Renewal Program	12065-DOH46915-40240	10,000
Neighborhood Renewal Program	12065-DOH46915-40240	45,000
		<u>264,841</u>
Department of Transportation:		
Wayfinding Installation Project 92-661 TCSP	14DOT0121AA	21,906
Boathouse at Canal Rock Proj 92-570	13033-DOT57161-41404	22,455
Local Bridge: George St, Over Church St Tunnel 92-6534	13033-DOT57191-43456	146,958
Local Bridge: Chapel Street Bridge (LBP) Project 92-6169	21010-DOT57191-42311	413,872
Rehab of Grand Ave Bridge 92-657	13033-DOT57191-43456	1,650,719
Crown/Church St. Tunnel 92-535	13033-DOT57191-43456	31,481
Traffic Control Signal Replacement-(LOTICIP) 92-0001	13033-DOT57197-43584	871,442
West River Traffic Signal Replacement 92-682	12060-DOT57191-22108	70,755
Rehab of Grand Ave Bridge 92-657	12060-DOT57191-22108	28,857
Total		<u>3,258,445</u>
Town Aid Road Grant - STO	13033-DOT57131-43459	627,125
Town Aid Road Grant - Municipal	12052-DOT57131-43455	627,125
Total Town Aid		<u>1,254,250</u>
Total Department of Transportation		<u>4,512,695</u>

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2020**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Social Services:		
Food Stamp Education	12060-DSS60799-20735	\$ 411
Total Department of Social Services		<u>411</u>
Office of Early Childhood:		
Child Daycare - Infant and Toddler	11000-OEC64841-16275	1,229,325
School Readiness	11000-OEC64845-16274	7,894,095
Quality Enhancement	11000-OEC64845-16158	80,748
Head Start Enhancement 170106	11000-OEC64845-16106	116,820
Head Start Expansion 170104	11000-OEC64845-16101	118,946
Total Office of Early Childhood		<u>9,439,934</u>
Department of Education:		
ASTE - Vocational Education Agriculture	11000-SDE64370-17017	1,322,231
Family Resource Centers Program - 82079	11000-SDE64370-16110	397,546
Adult Education: Provider 84002-2020	11000-SDE64370-17030	4,800,000
Adult Education Cooperating Eligibility Entity-84004-2020	11000-SDE64370-17030	76,139
Total		<u>4,876,139</u>
Youth Service Bureau	11000-DCF91141-17107	129,891
Youth Service Bureau Enhancement	11000-DCF91141-17052	16,763
School Breakfast Program	11000-SDE64370-17046	123,284
School Breakfast Program Public State Match	11000-SDE64370-16211	64,445
Child Nutrition Program Lunch State Match	11000-SDE64370-16211	73,162
		<u>260,891</u>

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2020**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Education, Continued:		
Nonpublic Health Services	11000-SDE64370-17034	\$ 42,713
Open Choice Program	11000-SDE64370-17053	529,992
School Accountability Summer School	11000-SDE64370-17109	380,777
Bilingual Education	11000-SDE64370-17042	201,062
Priority School Districts	11000-SDE64370-17043	4,471,266
Extended School Hours	11000-SDE64370-17108	298,954
Magnet School Operating	11000-SDE64370-17057	34,128,097
Magnet School Transportation	11000-SDE64370-17057	3,006,900
Subtotal		<u>43,059,761</u>
ECS - Alliance District	11000-SDE64370-17041	<u>15,301,995</u>
Healthy Foods Initiative	11000-SDE64370-16212	<u>257,793</u>
Commission Network	11000-SDE64370-12547	683,703
Commission Network Turnaround sde7	11000-SDE64370-12547	770,608
Commission Network -SERC Technical Assistance-sde9	11000-SDE64370-12547	33,250
Commission Network -SERC Technical Assistance-sde10	11000-SDE64370-12547	27,389
		<u>1,514,950</u>
Low Performing Schools	12052-SDE64370-43728	440
Total Low Performing Schools		<u>440</u>
School Security Competitive	12052-DPS32161-43546	348,748
After School Grant	11000-SDE64370-17084	87,215
Eli Whitney Pilot After School	11000-SD64370-12602	105,628
First Robotics Competitive Mini Grant	11000-SDE64370-17084	<u>5,600</u>
Total Department of Education		<u>67,685,592</u>
Division of Consumer Protection:		
Payment to Town OTB	34004-DCP39930-40001	328,976
Total Division of Consumer Protection		<u>328,976</u>

(Continued)

City of New Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2020**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Judicial Branch:		
Distributions to Towns	34001-JUD95162-40001	\$ 51,240
Youth Violence Prevention Grant	11000-JUD96114-12555	472,363
Total Judicial Branch		<u>523,603</u>
State Library:		
Connecticard	11000-CSL66051-17010	2,052
Historical Documents Preservation	12060-CSL66094-35150	10,500
State Library Construction Grant 093B-SC-15	12052-CSL66051-43300	160,628
Fiber to Library	12052-CSL66011-43649	190,035
Total State Library		<u>363,215</u>
Department of Agriculture:		
Connecticut Agriculture Bureau - Shellfish	34003-DAG42660-42337	32,458
Total Department of Agriculture		<u>32,458</u>
Total Expenditures of State Financial Assistance Before Exempt Programs		<u>142,251,184</u>
Exempt Programs:		
Office of Policy and Management:		
Mashantucket Pequot Grant	12009-OPM26000-17005	5,503,352
Municipal Stabilization Grant	11000-OPM20600-17104	1,675,450
Municipal Revenue Sharing	11000-OPM20600-17102	15,246,372
Total Office of Policy and Management		<u>22,425,174</u>
Department of Education:		
Education Cost Sharing	11000-SDE64370-17041	142,503,124
Special ED AG - Excess Cost	11000-SDE64370-17047	3,201,500
Total Department of Education		<u>145,704,624</u>
Department of Construction Services:		
School Construction Progress 2020	13010-DAS27635-43744	6,237,098
School Construction Reg Principal 2019	13010-DAS27636-40901	3,732,020
Total Department of Construction Services		<u>9,969,118</u>
Total Exempt Programs		<u>178,098,916</u>
Total Expenditures of State Financial Assistance		<u>\$ 320,350,100</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

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, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the 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, if any, of the City's discretely-presented component units which are the New Haven Parking Authority and the New Haven Solid Waste and Recycling 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 Findings and Questioned Costs
For the Year Ended June 30, 2020**

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 GAAP:

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 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 No

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

State Grantor and Program	State CORE-CT Number	Expenditures
Office of Policy and Management		
PILOT Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 36,545,385
Department of Education		
Magnet Schools	11000-SDE64370-17057	37,134,997
Dixwell Community Center-Q House--- LM-2016-0072	13019-ECD46210-41240	6,104,037
Downtown Crossing Project Phase II - 92-659	12052-ECD46210-40414	4,799,423
Dollar threshold used to distinguish between Type A Programs and Type B Programs		<u>\$ 2,845,024</u>

City of New Haven, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020**

II. Financial Statement Findings

- We issued reports dated May 27, 2021, on internal controls over financial reporting and compliance and other matters based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of non-compliance.
- Our report on internal control over financial reporting noted no reportable instances.

III. State Financial Assistance Findings and Questioned Costs

No matters to report.