

CITY OF NEW BRITAIN, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021



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**CITY OF NEW BRITAIN, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021
TABLE OF CONTENTS**

Independent Auditors' 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	1-3
Schedule of Expenditures of Federal Awards	4-5
Notes to Schedule of Expenditures of Federal Awards	6
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Schedule of Findings and Questioned Costs	9-11



Independent Auditors' 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

To the Members of the Common Council
City of New Britain, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the City of New Britain, Connecticut's 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 of New Britain, Connecticut's major federal programs for the year ended June 30, 2021. The City of New Britain, Connecticut's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the City of New Britain, Connecticut, 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, 2021.

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 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

The City of New Britain, Connecticut's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of New Britain, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City of New Britain, Connecticut, 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 of New Britain, Connecticut'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 of New Britain, Connecticut'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 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

The City of New Britain, Connecticut's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questions. City of New Britain, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements. We issued our report thereon dated February 24, 2022, 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
April 25, 2022

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
<i>Passed through the State of Connecticut Department of Education:</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 408,220	
National School Lunch Program	10.555	12060-SDE64370-29573	371,170	
National School Lunch Program	10.555	12060-SDE64370-29574	2,634,422	
National School Lunch Program	10.555	12060-SDE64370-29575	12,829	
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	3,861,577	
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	323,975	
Child Nutrition Discretionary Grants Limited Availability	10.579	12060-SDE64370-22386	<u>3,145</u>	
				\$ 7,615,338
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	36,666	
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	<u>9,451</u>	
				46,117
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051		<u>297,454</u>
Total United States Department of Agriculture				<u>7,958,909</u>
United States Department of Transportation				
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	12062-DOT57931-21361	<u>49,600</u>	
				49,600
Highway Safety Cluster:				
State and Community Highway Safety	20.600	12062-DOT57513-20559	3,732	
National Priority Safety Programs	20.616	12062-DOT57513-22600	<u>44,417</u>	
				48,149
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57191-22108	62,682	
Highway Planning and Construction	20.205	12062-DOT57141-22108	<u>1,717,909</u>	
				1,780,591
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		<u>10,408</u>
Total United States Department of Transportation				<u>1,888,748</u>
United States Department of Education				
<i>Passed through the State of Connecticut Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education_Grants to States	84.027	12060-SDE64370-20977-2021	2,697,732	
Special Education_Grants to States	84.027	12060-SDE64370-20977-2020	243,071	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2021	64,280	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	40,697	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2019	<u>9,608</u>	
				3,055,388
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	807,942	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	74,667	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	3,765,767	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	<u>2,765,606</u>	
				7,413,982
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2021	260,359	
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	<u>18,810</u>	
				279,169
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2021	529,336	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2020	<u>209,899</u>	
				739,235

The accompanying notes are an integral part of this schedule

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Title IV - Student Support	84.424	12060-SDE64370-22854-2021	\$	342,820
Title IV - Student Support	84.424	12060-SDE64370-22854-2020		195,958
				\$ 538,778
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2021		49,500
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2020		18,627
				68,127
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2021		208,437
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020		2,419
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2021		27,605
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020		14,775
				253,236
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2020		2,357,669
COVID-19 ESSER II	84.425D	12060-SDE64370-29571-2021		81,547
				2,439,216
Total United States Department of Education				14,787,131
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			90,878
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911		6,490
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911		69,048
Immunization Cooperative Agreements	93.268	12060-DPH48664-29591		4,682
Immunization Cooperative Agreements	93.268	12060-DPH48664-29617		6,868
Immunization Cooperative Agreements	93.268	12060-DPH48551-29654		369,112
				456,200
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48873-22664		12,718
Protection and Advocacy for Individuals with Mental Illness	93.138	12060-DPH48882-22954		316,917
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	12060-DPH48557-29582		258,350
				1,044,185
Total United States Department of Health and Human Services				1,044,185
United States Department of the Treasury				
<i>Passed through the State of Connecticut Department of Education:</i>				
COVID-19 Coronavirus Relief Fund	21.019	12060-SDE64370-29561		1,273,107
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
COVID-19 Coronavirus Relief Fund	21.019	12060-OPM20600-29561		1,911,462
Total United States Department of the Treasury				3,184,569
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218		\$ 670,730	2,181,583
				2,181,583
Home Investment Partnerships Program	14.239			529,541
Lead Hazard Reduction Demonstration Grant Program	14.905			511,554
				511,554
Total United States Department of Housing and Urban Development			670,730	3,222,678
Total Federal Awards			\$ 670,730	\$ 32,177,098

The accompanying notes are an integral part of this schedule

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of New Britain, Connecticut, under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the 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).

Because the Schedule presents only a selected portion of the operations of the City of New Britain, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the City of New Britain, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The City of New Britain, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

3. NONCASH AWARDS

Donated commodities in the amount of \$408,220 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the Common Council
City of New Britain, 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, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements, and have issued our report thereon dated February 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of New Britain, Connecticut'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 of New Britain, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of New Britain, Connecticut'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, that we consider to be significant deficiencies.

Compliance and Other Matters

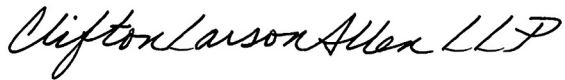
As part of obtaining reasonable assurance about whether the City of New Britain, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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*.

The City of New Britain, Connecticut's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of New Britain, Connecticut'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 of New Britain, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 24, 2022

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? X yes 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? X yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? X yes no

Major programs:

Assistance Listing #	Name of Federal Program or Cluster
10.555/10.559/10.579	Child Nutrition Cluster
84.425D	COVID -19 ESSER
21.019	COVID -19 Coronavirus Relief Fund
14.218	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 965,313

Auditee qualified as low-risk auditee? X yes no

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Fiscal Year End Close Procedures

Type of Finding:

Significant Deficiency in Internal Control over Financial Reporting

Condition

During the current year, the City's bank reconciliations were not completed timely and numerous client entries were posted to various funds after the general ledger was provided to the auditors, causing issuance delays.

Criteria

Management is responsible for establishing strong internal controls to ensure the financial statements are free from material misstatements.

Cause

Shortage in staffing within the finance department and lack of a formal financial close process.

Effect

Increased risk of material misstatement within the financial statements.

Repeat Finding

No.

Recommendation

We recommend that the City develop a formal financial close process to ensure general ledger balances are accurate and complete prior to submission of trial balance to auditors for review.

Views of Responsible Officials

Management agrees with this finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2021-002

Reporting – Federal Funding Accountability and Transparency Act

Federal Agency

U.S. Department of Housing and Urban Development

Program

Assistance Listing 14.218 Community Development Block Grants

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	-	2	-	-
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$ 185,000	-	\$ 185,000	-	-

Award Period

July 1, 2020 through September 1, 2027

Type of Finding

Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria

The prime awardee is required to file a FFATA subaward report by the end of the month following the month in which the prime recipient awards any subgrant greater than or equal to \$30,000.

Condition

For the two subawards sampled, the subawards were filed however not by the end of the month following the month in which the subgrant was awarded.

Cause

Department enters all subawards at the start of the grant period.

Effect

Reports were not filed in a timely manner.

Repeat Finding

No.

Questioned costs

None noted.

Context

One subaward selected was two months late and the second subaward selected was one month late. The sample was a statistically valid sample.

Recommendation

We recommend that procedures be strengthened to ensure each subaward is filed within one month following the award obligation date.

Views of Responsible Officials

Management agrees with this finding.

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