

**CITY OF NEW BRITAIN, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**CITY OF NEW BRITAIN, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2023**

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	4
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
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>	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of New Britain, Connecticut's 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 City of New Britain, Connecticut's major federal programs for the year ended June 30, 2023. 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.

In our opinion, City of New Britain, Connecticut 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of New Britain, Connecticut 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 City of New Britain, Connecticut'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 City of New Britain, Connecticut's federal programs.

To the Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

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

To the Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 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 City of New Britain, Connecticut as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of New Britain, Connecticut's basic financial statements. We have issued our report thereon, dated June 30, 2024, 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 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
June 30, 2024

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

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 (Noncash)	10.555	12060-SDE64370-20560	\$ 442,468	
National School Lunch Program	10.555	12060-SDE64370-20560		3,839,520
National School Lunch Program Combined	10.555	12060-SDE64370-20560		1,668,162
School Breakfast Program	10.553	12060-SDE64370-20508		2,175,506
Summer Food Service Program for Children	10.559	12060-SDE64370-20540		200,506
Summer Food Service Program for Children	10.559	12060-SDE64370-20548		16,901
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051		<u>400,376</u>
				\$ 8,743,439
Child and Adult Care Food Program	10.558	12060-SDE64370-20518		521,461
Child and Adult Care Food Program	10.558	12060-SDE64370-20544		<u>38,819</u>
				560,280
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126		259,295
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs	10.649	12060-SDE64370-29802		<u>14,439</u>
Total United States Department of Agriculture			-	<u>9,577,453</u>
United States Department of Transportation				
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	12062-DOT57513-20559		<u>39,876</u>
				39,876
Highway Planning and Construction	20.205	12062-DOT57141-22108		1,783,838
Highway Planning and Construction	20.205	12062-DOT57191-22108		<u>157,923</u>
				1,941,761
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		<u>72,451</u>
Total United States Department of Transportation			-	<u>2,054,088</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-SDE64370-20977-2023		2,569,135
Special Education Grants to States	84.027	12060-SDE64370-20977-2022		804,305
Special Education Grants to States	84.027	12060-SDE64370-20977-2021		15,000
Special Education Preschool Grants	84.173	12060-SDE64370-20983-2023		87,498
Special Education Preschool Grants	84.173	12060-SDE64370-20983-2022		<u>41,099</u>
				3,517,037
Education Stabilization Fund:				
COVID-19 ARP Special Education Grants	84.425U	12060-SDE64370-23083-2022		651,266
COVID-19 American Rescue Plan - ESSER	84.425U	12060-SDE64370-29636-2021		15,038,537
COVID-19 Preschool Grants (ARPA)	84.425U	12060-SDE64370-29684-2022		62,073
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2021		5,811,249
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2020		1,482,293
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2021		155,983
COVID-19 Elementary & Secondary School	84.425W	12060-SDE64370-29650-2021		<u>116,447</u>
				23,317,848
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023		832,169
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022		164,229
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023		6,463,644
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022		<u>580,274</u>
				8,040,316

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2023		\$ 308,866
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2023	\$	580,383
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2022		<u>70,933</u>
				651,316
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2023		86,700
Title IV - Student Support	84.424	12060-SDE64370-22854-2023		444,252
Title IV - Student Support	84.424	12060-SDE64370-22854-2022		<u>13,952</u>
				458,204
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2023		101,372
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2022		<u>80,056</u>
				181,428
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2021	_____	<u>30,000</u>
Total United States Department of Education			-	<u>36,591,715</u>
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			178,513
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921		<u>9,590</u>
				<u>188,103</u>
Total United States Department of Justice			-	<u>188,103</u>
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218			<u>2,625,929</u>
				2,625,929
Home Investment Partnerships Program	14.239		_____	<u>349,362</u>
Total United States Department of Housing and Urban Development			-	<u>2975291</u>
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48873-22664		29,215
Immunization Cooperative Agreements (Noncash)	93.268			31,196
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911		137,276
Immunization Cooperative Agreements	93.268	12060-DPH48664-29627		<u>182,535</u>
				351,007
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	12060-DPH48551-29582		161,655
Protection and Advocacy for Individuals with Mental Illness	93.138	12060-DPH48882-22954	_____	<u>315,419</u>
Total United States Department of Health and Human Services			-	<u>857,296</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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 Homeland Security				
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>				
Emergency Management Performance Grants	97.042	12060-DPS32160-21881		\$ 72,843
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32990-21891	_____	_____ 27,227
Total United States Department of Homeland Security			_____ -	_____ 100,070
United States Department of the Treasury				
<i>Passed Through the State of Connecticut Department of Agriculture:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Farm-to-School Grant)	21.027	12060-DAG42710-29695	\$	1,882
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Auto Theft and Violence)	21.027	12060-DPS32155-28122		94,444
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Violent Crimes Task Force)	21.027	12060-DPS32521-28125		29,379
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA-School Readiness)	21.027	12060-OEC64845-28227-2023		496,216
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	12060-OPM20600-29669		_____ 22,793,124
Total United States Department of the Treasury			_____ -	_____ 23,415,045
United States Environmental Protection Agency				
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	12060-DPH48770-22467		583,456
Capitalization Grants for Drinking Water State Revolving Funds	66.468	21018-DPH48770-42319		_____ 1,783,245
Total United States Environmental Protection Agency			_____ -	_____ 2,366,701
United States Department of Energy				
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>				
State Energy Program	81.041	12060-DEP44720-20729		19,500
Total United States Department of Energy			_____ -	_____ 19,500
United States Election Assistance Commission				
<i>Passed Through the State of Connecticut Office of the Secretary of State:</i>				
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465		9,878
Total United States Election Assistance Commission			_____ -	_____ 9,878
Total Expenditures of Federal Awards			\$ _____ -	\$ _____ 78,155,140

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 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, 2023. 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.

NOTE 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.

NOTE 3 NONCASH AWARDS

Donated commodities in the amount of \$442,468 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.

Noncash assistance vaccines in the amount of \$31,196 are included in the Department of Health and Human Services Immunization Cooperative Agreements Assistance Listing #93.268.



**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 Honorable Mayor and 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, 2023, 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 June 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

To the Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

Report on Compliance and Other Matters

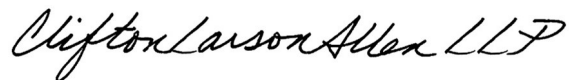
As part of obtaining reasonable assurance about whether the City of New Britain, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-003.

City of New Britain, Connecticut's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of New Britain, Connecticut's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of New Britain, Connecticut'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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
June 30, 2024

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
• Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes	<u> </u> no

Federal Awards

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 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)? yes X no

Major programs:

Assistance Listing #	Name of Federal Program or Cluster
84.425D / 84.425U / 84.425W	COVID -19 Education Stabilization Fund
21.027	COVID -19 Coronavirus State and Local Fiscal Recovery Funds
84.010	Title I Grants to Local Educational Agencies
66.468	Drinking Water State Revolving Fund Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 2,344,654

Auditee qualified as low-risk auditee? yes X no

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2023-001

Bank Reconciliations

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Condition

The City's bank reconciliations were not properly prepared and completed timely.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Yes, 2022-001

Recommendation

We recommend that the City develop a formal financial close process to ensure general ledger balances are accurate and complete within a reasonable time after year-end.

Views of Responsible Officials

Management agrees with this finding.

Finding No. 2023-002

Fiscal Year-End Close Procedures

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Condition

Material audit adjustments were proposed for revenue recognition within the capital projects fund as well as receivable and revenue within the Water Department.

Criteria

Generally accepted accounting principles (GAAP) requires that revenue be recognized when it is both measurable and available and receivables and revenue within an Enterprise Fund should be recorded in accordance with full accrual basis of accounting.

Cause

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

Effect

Increased risk of material misstatement within the financial statements.

Repeat Finding

Yes, 2022-002.

Recommendation

We recommend that the City develop a formal financial close process to ensure each fund's year-end balances are analyzed timely and corrected appropriately.

Views of Responsible Officials

Management agrees with this finding.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Finding No. 2023-003

Uniform Guidance

Type of Finding:

Compliance Finding

Condition

The City did not comply with Uniform Guidance Reporting Requirements.

Criteria

Uniform Guidance requires entities to electronically file required reports within nine months of year-end.

Cause

The City was unable to secure a deputy finance director as well as other finance support staff for a significant period of time.

Effect

The City no longer qualifies as a low risk entity for federal single audit filing.

Repeat Finding

Yes, 2022-003.

Recommendation

We recommend that the City develop a formal financial close process to ensure the financial statements of the City are ready for audit inspection to meet federal requirements.

Views of Responsible Officials

Management agrees with this finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).