

**CITY OF WATERBURY, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021**



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**CITY OF WATERBURY, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021
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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 Honorable Mayor and Board of Aldermen
City of Waterbury, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the City of Waterbury, 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 Waterbury, Connecticut's major federal programs for the year ended June 30, 2021. The City of Waterbury, 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 Waterbury, 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 Waterbury, 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 Waterbury, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Waterbury, 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.

Report on Internal Control over Compliance

Management of the City of Waterbury, 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 Waterbury, 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 Waterbury, 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. 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, each major fund and the aggregate remaining fund information of the City of Waterbury, 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 Waterbury, Connecticut's basic financial statements. We issued our report thereon dated December 15, 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 15, 2021

**CITY OF WATERBURY, 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	Non-Cash	\$ 280,420	
National School Lunch Program	10.555	12060-SDE64370-20560	2,004,029	
National School Lunch Program	10.555	12060-SDE64370-29572	410,478	
National School Lunch Program	10.555	12060-SDE64370-29575	1,106	
National School Lunch Program	10.555	12060-SDE64370-29576	239,572	
School Breakfast Program	10.553	12060-SDE64370-20508	<u>889,448</u>	\$ 3,825,053
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	633,194	
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	<u>27,310</u>	660,504
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051		321,121
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Non-Cash	3,771,807	
Special Supplemental Nutrition Program for Women, Infants, and Childrer	10.557	12060-DPH48872-20892	1,054,819	
Special Supplemental Nutrition Program for Women, Infants, and Childrer	10.557	12060-DPH48872-21915	<u>4,500</u>	4,831,126
Total United States Department of Agriculture				<u>9,637,804</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	105,121	
National Priority Safety Programs	20.616	12062-DOT57513-22600	<u>122,719</u>	227,840
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57191-22108		16,127
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		99,145
<i>Direct:</i>				
National Infrastructure Investments (TIGER)	20.933			<u>2,193,319</u>
Total United States Department of Transportation				<u>2,536,431</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	1,960,582	
Special Education - Grants to States	84.027	12060-SDE64370-20977-2020	3,110,268	
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2020	<u>136,476</u>	5,207,326
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	11,079,497	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	3,989,520	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2019	<u>114,667</u>	15,183,684
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2021	357,052	
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2020	<u>118,081</u>	475,133
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2021	494,479	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2020	297,578	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2019	<u>76,897</u>	868,954

The accompanying notes are an integral part of this schedule

**CITY OF WATERBURY, 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
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2021	\$	578,775
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2020		155,448
				\$ 734,223
Title IV - Student Support	84.424	12060-SDE64370-22854-2021		91,167
Title IV - Student Support	84.424	12060-SDE64370-22854-2020		758,804
Title IV - Student Support	84.424	12060-SDE64370-22854-2019		239,638
				1,089,609
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2020		55,000
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2021		11,042
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020		392,752
				403,794
COVID-19 - ESSERF K-12 Fund	84.425d	12060-SDE64370-29571-2021		3,502,584
COVID-19 - ESSERF K-12 Fund	84.425d	12060-SDE64370-29571-2020		6,316,005
				9,818,589
<i>Direct:</i>				
Impact Aid	84.041			35,629
Total United States Department of Education			-	33,871,941
United States Election Assistance Commission				
<i>Passed Through the State of Connecticut Secretary of State:</i>				
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465		81,131
United States Department of Justice				
<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		29,765
Waterbury Police and Community Partnerships	16.034	12060-OPM20350-29588		20,276
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			40,615
Public Safety Partnership and Community Policing Grants	16.710			361,190
Coronavirus Emergency Supplemental Funding Program	16.034			154,104
Federal Forfeiture Sharing	16.000			10,000
Total United States Department of Justice				615,950
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218			2,960,725
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900			998,094
Home Investment Partnerships Program	14.239			515,384
Emergency Solutions Grant Program	14.231			508,876
Total United States Department of Housing and Urban Development				4,983,079
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		93,462
Immunization Cooperative Agreements	93.268	12060-DPH48664-29617		7,395
Immunization Cooperative Agreements	93.268	12060-DPH48551-29654		312,159
				413,016

The accompanying notes are an integral part of this schedule

**CITY OF WATERBURY, 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
HIV Prevention Activities - Health Department Based	93.940	12060-DPH48852-22511		46,015
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48810-22664		39,345
HIV Care Formula Grants	93.917	12060-DPH48854-30401		108,636
Protection and Advocacy for Individuals with Mental Illness	93.138	12060-DPH48882-22954		289,427
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	12060-DPH48557-29582		479,283
<i>Passed Through the State of Connecticut Office of Early Childhood:</i> Pregnancy Assistance Fund Program	93.500	12060-OEC64860-22439		58,850
<i>Passed Through the Torrington Area Health District:</i> Public Health Emergency Preparedness	93.069			58,463
Total United States Department of Health and Human Services				1,493,035
United States Department of Homeland Security				
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>				
Homeland Security Grant Program	97.067	12060-DPS32160-21877		45,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32990-21891		410,440
<i>Direct:</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083			441,678
Assistance to Firefighters Grant	97.044			79,455
Total United States Department of Homeland Security				976,573
United States Corporation for National and Community Service				
<i>Passed Through the University of Baltimore:</i>				
Research and Data Analysis	95.007			150,000
Total United States Corporation for National and Community Service				150,000
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		3,649,712
<i>Passed Through the State of Connecticut Connecticut State Library:</i>				
COVID-19 - Coronavirus Relief Fund	21.019	12060-CSL66011-29561		74,190
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
COVID-19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	\$ 2,348,948	
COVID-19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	2,341,359	
				4,690,307
Total United States Department of the Treasury				8,414,209
Total Federal Awards			\$ -	\$ 62,760,153

The accompanying notes are an integral part of this schedule

**CITY OF WATERBURY, 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 Waterbury, 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 Waterbury, 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 Waterbury, 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 for all awards with 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

City of Waterbury, 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 \$280,420 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.

4. WIC AND IMMUNIZATION NONCASH AWARDS

The City of Waterbury, Connecticut, also reports noncash awards under the Special Supplemental Nutrition Program for Women, Infants and Children, Assistance Listing #10.557. The amount of \$4,831,126 included in the Schedule includes \$3,771,807 of noncash benefit payments made directly to suppliers by the State of Connecticut, as reported by the State Department of Public Health, for eligible participants of the program.



**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 Board of Aldermen
City of Waterbury, 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 Waterbury, 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 Waterbury, Connecticut's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

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

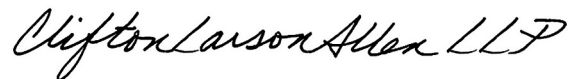
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Waterbury, 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*.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 15, 2021

**CITY OF WATERBURY, 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 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 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
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
84.027/84.173	Special Education Cluster (IDEA)
84.425d	Elementary and Secondary School Emergency Relief (ESSER) Fund
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,882,805

Auditee qualified as low-risk auditee? X yes _____ no

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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