

**CITY OF WORCESTER, MASSACHUSETTS  
GAO AND UNIFORM GUIDANCE REPORTS  
YEAR ENDED JUNE 30, 2019**



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**CITY OF WORCESTER, MASSACHUSETTS  
GAO AND UNIFORM GUIDANCE REPORTS  
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YEAR ENDED JUNE 30, 2019**

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**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**

Honorable Mayor and City Council  
City of Worcester, Massachusetts

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 discretely presented component units, each major fund and the aggregate remaining fund information of the City of Worcester, Massachusetts, as of and for the year ended June 30, 2019 (except for the Worcester Retirement System, which is as of and for the year ended December 31, 2018), and the related notes to the financial statements, which collectively comprise the City of Worcester, Massachusetts' basic financial statements, and have issued our report thereon dated December 6, 2019. The City of Worcester, Massachusetts' financial statements include the operations of the Worcester Retirement System (as of and for the year ended December 31, 2018) and the Worcester Redevelopment Authority and Upper Blackstone Water Pollution Abatement District (as of and for the year ended June 30, 2019). Our audit described below, did not include operations of those entities because those entities engaged for their own separate audit in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Worcester, Massachusetts' internal control over financial reporting (internal control) to determine the 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 Worcester, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Worcester, Massachusetts' 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.

Honorable Mayor and City Council  
City of Worcester, Massachusetts

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 Worcester, Massachusetts' 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 determination of financial statement amounts. 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 result 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**

Boston, Massachusetts  
December 6, 2019



**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**

Honorable Mayor and City Council  
City of Worcester, Massachusetts

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

We have audited the City of Worcester, Massachusetts' 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 Worcester, Massachusetts' major federal programs for the year ended June 30, 2019. The City of Worcester, Massachusetts' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City of Worcester, Massachusetts' financial statements include the operations of the Worcester Redevelopment Authority, which received \$3,204,286 in federal awards, which is not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the Worcester Redevelopment Authority because they engaged for a separate audit.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

In our opinion, the City of Worcester, Massachusetts 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, 2019.

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

Management of the City of Worcester, Massachusetts 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 Worcester, Massachusetts' 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 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 Worcester, Massachusetts' 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 were not identified. 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and City Council  
City of Worcester, Massachusetts

**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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Worcester, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Worcester, Massachusetts. We issued our report thereon dated December 6, 2019, 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 City of Worcester, Massachusetts' financial statements include the operations of the Worcester Retirement System (as of and for the year ended December 31, 2018) and the Worcester Redevelopment Authority and Upper Blackstone Water Pollution Abatement District (as of and for the year ended June 30, 2019). The federal expenditures, where applicable, for these entities are not included in the schedule of expenditures of federal awards. 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**

Boston, Massachusetts  
September 16, 2020, except for the schedule of federal awards  
which is dated December 6, 2019

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Name                                  | Federal<br>CFDA<br>Number | Pass-Through<br>Identifying Number                                      | Federal<br>Expenditures | Awards to<br>Subrecipients |
|--|---------------------------|---|-------------------------|----------------------------|
| <b>U.S. Department of Agriculture</b>  |                           |   |                         |                            |
| <u>Passed through the State Department of Elementary &amp; Secondary Education:</u>        |                           |   |                         |                            |
| <i>Child Nutrition Cluster</i>   |                           |   |                         |                            |
| School Breakfast Program - Cash Assistance   | 10.553                    | 14-348  | \$ 3,372,670            | \$ -                       |
| National School Lunch Program - Cash Assistance  | 10.555                    | 14-348  | 9,928,232               | -                          |
| National School Lunch Program - Non-Cash Assistance<br>(Commodities)                       | 10.555                    | 14-348  | 1,233,070               | -                          |
| Subtotal CFDA 10.555   |                           |   | <u>11,161,302</u>       | <u>-</u>                   |
| Subtotal Child Nutrition Cluster   |                           |   | <u>14,533,972</u>       | <u>-</u>                   |
| Supplemental Nutrition Assistance Program<br>(State Administrative Match)                  | 10.561                    | 14-348  | 361                     | -                          |
| Fruit and Vegetable Program  | 10.582                    | 14-348  | <u>297,036</u>          | <u>-</u>                   |
| Total U.S. Department of Agriculture   |                           |   | <u>14,831,369</u>       | <u>-</u>                   |
| <b>U.S. Department of Housing and Urban Development</b>                                    |                           |   |                         |                            |
| <u>Direct programs:</u>  |                           |   |                         |                            |
| Community Development Block Grant  | 14.218                    | Not Applicable  | 4,370,258               | 866,088                    |
| Emergency Shelter Grants Program   | 14.231                    | Not Applicable  | 555,501                 | 507,816                    |
| HOME Investment Partnerships Program   | 14.239                    | Not Applicable  | 2,384,838               | 2,274,129                  |
| Housing Opportunities for Persons with AIDS  | 14.241                    | Not Applicable  | <u>607,550</u>          | <u>576,661</u>             |
| Total U.S. Department of Housing and Urban Development                                     |                           |   | <u>7,918,147</u>        | <u>4,224,694</u>           |
| <b>U.S. Department of Justice</b>  |                           |   |                         |                            |
| <u>Direct programs:</u>  |                           |   |                         |                            |
| Office of Juvenile Justice and Delinquency Prevention - Youth<br>Gang Prevention           | 16.544                    | Not Applicable  | 55,616                  | 49,509                     |
| Youth Victims of Opioids   | 16.582                    | Not Applicable  | 17,219                  | -                          |
| Office of Violence Against Women Improving Criminal Justice<br>Responses                   | 16.590                    | Not Applicable  | 74,665                  | 26,607                     |
| Edward Byrne Memorial Justice Assistance Grant   | 16.738                    | Not Applicable  | 367,524                 | 54,901                     |
| Edward Byrne Memorial Criminal Justice Innovative Program                                  | 16.817                    | Not Applicable  | 15,682                  | -                          |
| <u>Passed through the Executive Office of Public Safety and Security</u>                   |                           |   |                         |                            |
| Violence Against Women Formula Grants (fiscal year 2016)                                   | 16.588                    | 2016-WF-AX-0029   | <u>50,796</u>           | <u>49,800</u>              |
| Total U.S. Department of Justice   |                           |   | <u>581,502</u>          | <u>180,817</u>             |
| <b>U.S. Department of Labor</b>  |                           |   |                         |                            |
| <u>Passed through the State Department of Career Services:</u>                             |                           |   |                         |                            |
| Employment Service/Wagner-Peyser Funded Activities   | 17.207                    | CT EOL 19CCWORCWP<br>CT EOL 18CCWORCWP<br>CT EOL 17CCWORCWP             | 63,469                  | -                          |
| Unemployment Insurance   | 17.225                    | CT EOL 19CCWORCVETSUI<br>CT EOL 18CCWORCVETSUI<br>CT EOL 17CCWORCVETSUI | 11,613                  | -                          |
| Emergency Unemployment Compensation Reemployment &<br>Eligibility Assessment (RESEA & REA) | 17.225                    | CT EOL 19CCWORCVETSUI<br>CT EOL 18CCWORCVETSUI<br>CT EOL 17CCWORCVETSUI | 73,978                  | -                          |
| Trade Adjustment Assistance  | 17.245                    | CT EOL 19CCWORCTRADE<br>CT EOL 18CCWORCTRADE                            | 158,353                 | -                          |
| <i>WIOA Cluster:</i>   |                           |   |                         |                            |
| WIOA Adult Program   | 17.258                    | CT EOL 19CCWORCWIA<br>CT EOL 18CCWORCWIA<br>CT EOL 17CCWORCWIA          | 1,207,753               | -                          |
| ReBranding   | 17.258                    | CT EOL 18CCWORCWIA<br>CT EOL 19CCWORCWIA<br>CT EOL 18CCWORCWIA          | 36,716                  | -                          |
| WIOA Youth Activities  | 17.259                    | CT EOL 17CCWORCWIA<br>CT EOL 19CCWORCVETSUI                             | 799,977                 | 573,000                    |
| WIOA Dislocated Workers  | 17.278                    | CT EOL 18CCWORCVETSUI   | <u>867,061</u>          | <u>-</u>                   |
| Subtotal WIOA Cluster  |                           |   | <u>2,911,507</u>        | <u>573,000</u>             |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

|   |         |  |                   |                |
|---|---------|--|-------------------|----------------|
| Disabled Veterans' Outreach Program   | 17.801  | CT EOL 19CCWORCVETSUI<br>CT EOL 18CCWORCVETSUI | 29,248            | -              |
| Total U.S. Department of Labor  |         |  | <u>3,248,168</u>  | <u>573,000</u> |
| <b>U.S. Department of Transportation</b>  |         |  |                   |                |
| <u>Direct Programs:</u>   |         |  |                   |                |
| Federal Railroad Administration (Worcester Trespass Prevention)                     | 20.301  | Not Applicable                                 | 16,623            | -              |
| <u>Passed through the State Office of Emergency Management:</u>                     |         |  |                   |                |
| Interagency Hazardous Materials Public Sector Training and Planning Grants          | 20.703  | 2017 2018 HMEP                                 | 4,192             | -              |
| Total U.S. Department of Transportation   |         |  | <u>20,815</u>     | <u>-</u>       |
| <b>Environmental Protection Agency</b>  |         |  |                   |                |
| <u>Direct Programs:</u>   |         |  |                   |                |
| Environmental Policy and Innovation Grants  | 66.811  | Not Applicable                                 | 9,691             | -              |
| ARRA - Brownfields Cleanup and Assessment Cooperative Agreements                    | 66.818  | Not Applicable                                 | 42,769            | -              |
| Total Environmental Protection Agency   |         |  | <u>52,460</u>     | <u>-</u>       |
| <b>U.S. Department of Education</b>   |         |  |                   |                |
| <u>Passed through the State Department of Early Education and Care:</u>             |         |  |                   |                |
| <u>Adult Education:</u>   |         |  |                   |                |
| Integrated English Literacy & Civics  | 84.002  | 359-022-7-0348-R<br>184-138234-2018-0348-1.0   | 120,598           | -              |
| <u>Passed through the State Department of Career Services:</u>                      |         |  |                   |                |
| DOE / ACLS ISA  | 84.002A | CT EOL 19CCWORCWP                              | 4,390             | -              |
| <u>Passed through the State Department of Elementary &amp; Secondary Education:</u> |         |  |                   |                |
| Title I Distribution (fiscal year 2019)   | 84.010  | 305-209354-2019-0348                           | 7,295,472         | -              |
| Title I Distribution (fiscal year 2018)   | 84.010  | 6305-094062-2018-0348                          | 5,323,794         | -              |
| Title I School Redesign (fiscal year 2018)  | 84.010  | 511-047-8-0348                                 | 34,270            | -              |
| Targeted Assistance   | 84.010  | 325-277894-2019-0348                           | 81,522            | -              |
| Quality Summer Learning   | 84.010  | 528-206105-2018-0348-1.0                       | 25,359            | -              |
| Title I School Support (fiscal year 2018)   | 84.010  | 323-201842-2018-0348                           | 78,728            | -              |
| Subtotal Title I and CFDA 84.010  |         |  | <u>12,839,145</u> | <u>-</u>       |
| Title I, Part D, Subpart 1 Neglected or Delinquent                                  | 84.013  | 320-198771-2018-0348SDW                        | 46,819            | -              |
| <i>Special Education Cluster</i>  |         |  |                   |                |
| SPED 94-142 Allocation (fiscal year 2019)   | 84.027  | 240-095231-2019-0348                           | 6,852,939         | -              |
| SPED 94-142 Allocation (fiscal year 2018)   | 84.027  | 240-095231-2018-0348                           | 407,735           | -              |
| SPED 94-142 Allocation (fiscal year 2017)   | 84.027  | 240-095231-2017-0348                           | 88,822            | -              |
| SPED Program Improvement (fiscal year 2018)   | 84.027  | 274-204560-2018-0348                           | 74,236            | -              |
| SPED Mass Urban (fiscal year 2019)  | 84.027  | 240-283118-2019-0348                           | 40,486            | -              |
| SPED Mass Urban (fiscal year 2018)  | 84.027  | 240-202452-2018-0348                           | 13,634            | -              |
| SPED Mass Urban (fiscal year 2017)  | 84.027  | 240-136408-2017-0318-1.0                       | 99                | -              |
| Leading Educational Access (LEAP) DCP Incentive                                     | 84.027  | 231 LEAP DCP                                   | 380               | -              |
| Subtotal CFDA 84.027  |         |  | <u>7,478,331</u>  | <u>-</u>       |
| SPED Early Childhood Program Improvement (fiscal year 2019)                         | 84.173A | 262-209353-2019-0348                           | 263,371           | -              |
| SPED Early Childhood Program Improvement (fiscal year 2018)                         | 84.173A | 298-204559-2018-0348                           | 4,777             | -              |
| Subtotal CFDA 84.173A   |         |  | <u>268,148</u>    | <u>-</u>       |
| <u>Passed through the State Department of Early Education and Care:</u>             |         |  |                   |                |
| <i>Special Education Cluster (continued)</i>  |         |  |                   |                |
| SPED Early Childhood Allocation (fiscal year 2019)                                  | 84.173  | 26219WORCESTER                                 | 3,119             | -              |
| SPED Early Childhood Allocation (fiscal year 2018)                                  | 84.173  | 26218WORCESTER                                 | 2,364             | -              |
| Subtotal CFDA 84.173  |         |  | <u>5,483</u>      | <u>-</u>       |
| Subtotal Special Education Cluster  |         |  | <u>7,751,962</u>  | <u>-</u>       |
| <u>Passed through the State Department of Elementary &amp; Secondary Education:</u> |         |  |                   |                |
| Perkins Secondary (fiscal year 2019)  | 84.048  | 400-209356-2019-0348                           | 270,800           | -              |
| Perkins Secondary (fiscal year 2018)  | 84.048  | 400-098241-2018-0348                           | 126,757           | -              |
| Subtotal CFDA 84.048  |         |  | <u>397,557</u>    | <u>-</u>       |
| Education for Homeless Children & Youth (fiscal year 2019)                          | 84.196  | 310-229197-2019-0348                           | 58,852            | -              |
| Education for Homeless Children & Youth (fiscal year 2018)                          | 84.196  | 310-002-8-0348                                 | 29,508            | -              |
| McKinney-Vento Homeless Education   | 84.196  | 310-281784-2019-0348                           | 1,365             | -              |
| McKinney-Vento Emergency Support  | 84.196  | 313-201842-2018-0348                           | 4,284             | -              |
| Subtotal CFDA 84.196  |         |  | <u>94,009</u>     | <u>-</u>       |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

|  |         |                          |                      |                     |
|--|---------|--------------------------|----------------------|---------------------|
| Massachusetts 21st Century Community Learning Centers (CLC)              | 84.287  | 645-209312-2019-0348     | 210,347              | -                   |
| Massachusetts 21st Century CLC - Summer                                  | 84.287  | 644-205826-2018-0348-4.0 | 19,960               | -                   |
| Massachusetts 21st Century CLC - Out-of-School-Time                      | 84.287  | 647-118-8-0348           | 61,171               | -                   |
| 21st Century CLC (fiscal year 2018)                                      | 84.287  | 0647-096578-2018-0348    | 94,419               | -                   |
| 21st Century CLC (fiscal year 2017)                                      | 84.287  | 647-038-7-0348           | 276                  | -                   |
| Subtotal CFDA 84.287   |         |                          | <u>386,173</u>       | -                   |
| Title III - English Language Acquisition (ELA) (fiscal year 2019)        | 84.365  | 180-209351-2019-0348     | 505,951              | -                   |
| Title III - English Language Acquisition (ELA) (fiscal year 2018)        | 84.365  | 180-153676-2018-0348     | 492,435              | -                   |
| Title III - English Language Acquisition (ELA) (fiscal year 2017)        | 84.365  | 180-041-7-0348           | 76,208               | -                   |
| Title III - ELA - Summer (fiscal year 2018)                              | 84.365  | 184-080-8-0348           | 800                  | -                   |
| Title III - English Language Acquisition (ELA) (fiscal year 2018)        | 84.365  | 186-201911-2018-0348     | 114,332              | -                   |
| Subtotal CFDA 84.365   |         |                          | <u>1,189,726</u>     | -                   |
| Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2019)           | 84.367  | 0140-209349-2019-0348    | 826,528              | -                   |
| Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2018)           | 84.367  | 0140-096278-2018-0348    | 140,259              | -                   |
| Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2017)           | 84.367  | 0140-096278-2017-0348    | 36,847               | -                   |
| Title IIA - Improving Teacher Quality (ITQ) - High Quality Instructional | 84.367  | 144-206186-2018-0348-1.0 | 18,583               | -                   |
| Subtotal CFDA 84.367   |         |                          | <u>1,022,217</u>     | -                   |
| Level 3 School Turnaround (L3) grants (Goddard)                          | 84.377  | 539-139771-2018-0348-2.0 | 298,919              | -                   |
| School Improvement Grants (fiscal year 2018)                             | 84.377  | 539-045-8-0348           | 73,722               | -                   |
| Subtotal CFDA 84.377   |         |                          | <u>372,641</u>       | -                   |
|  |         | 309-209355-2019-0348     |                      |                     |
| Title IV   | 84.424  | 309-070115-2018-0348     | 362,515              | -                   |
| Impact Aid Temporary Emergency Impact Aid for Displaced Students         | 84.938C | 314-281917-2019-0348     | 71                   | -                   |
| Total U.S. Department of Education                                       |         |                          | <u>24,587,823</u>    | -                   |
| <b>U.S. Department of Health and Human Services</b>                      |         |                          |                      |                     |
| <u>Direct Programs:</u>  |         |                          |                      |                     |
| Head Start Program   | 93.600  | Not Applicable           | 6,431,828            | -                   |
| <u>Passed through the State Department of Public Health:</u>             |         |                          |                      |                     |
| Medical Reserve Corps Grant  | 93.008  | 4516-1010                | 451                  | -                   |
| Public Health Emergency Preparedness                                     | 93.069  | 45100404/45161024        | 510,798              | -                   |
| Partnership for the Enhancement of the Regional Preparedness             | 93.074  | 4516-10214516-1010       | 428,324              | -                   |
| Early Childhood Mental Health  | 93.104  | 4512-9069                | 161,769              | -                   |
| Childhood Lead Poisoning Prevention Program                              | 93.197  | 180627701516             | 41,631               | -                   |
| Substance Abuse and Mental Health Services                               | 93.243  | W50091                   | 78,780               | -                   |
| The Patient Protection and Affordable Care Act                           | 93.541  | INTF1100P01203816181     | 2,011                | -                   |
| Mass in Motion   | 93.758  | 502925                   | 63,325               | -                   |
| National Bioterrorism Hospital Preparedness                              | 93.889  | 45100404/45161024        | 69,756               | -                   |
|  |         | 200218                   |                      |                     |
|  |         | 4512-9068                |                      |                     |
| Block Grants for Prevention and Treatment of Substance Abuse             | 93.959  | 4512-9069                | 245,107              | -                   |
| <u>Passed through the State Department of Health and Human Services:</u> |         |                          |                      |                     |
| School-Based Medicaid Reimbursement Program                              | 93.778  | 1950622                  | 1,718,250            | -                   |
| Total U.S. Department of Health and Human Services                       |         |                          | <u>9,752,030</u>     | -                   |
| <b>Executive Office of the President</b>                                 |         |                          |                      |                     |
| <u>Direct Programs:</u>  |         |                          |                      |                     |
| High Intensity Drug Trafficking Areas Program                            | 95.001  | Not Applicable           | 60,547               | -                   |
| <b>U.S. Department of Homeland Security</b>                              |         |                          |                      |                     |
| <u>Direct Programs:</u>  |         |                          |                      |                     |
| FEMA Public Assistance   | 97.036  | Not Applicable           | 566,919              | -                   |
| Lead Hazard Grant  | 97.044  | Not Applicable           | 992,464              | 248,930             |
| Subtotal CFDA 97.044   |         |                          | <u>1,559,383</u>     | <u>248,930</u>      |
| <u>Passed through the State Office of Emergency Management:</u>          |         |                          |                      |                     |
| Emergency Management Performance Grants                                  | 97.042  | FY18EMPG100000WORC       | 78,005               | -                   |
| Total U. S. Department of Homeland Security                              |         |                          | <u>1,637,388</u>     | <u>248,930</u>      |
| Total  |         |                          | <u>\$ 62,690,249</u> | <u>\$ 5,227,441</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2019**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Worcester, Massachusetts under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 Worcester, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Worcester, Massachusetts.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The City of Worcester, Massachusetts did not elect to use the 10% de minimis indirect cost rate identified in §200.414 of the Uniform Guidance.

**NOTE 3 U.S. DEPARTMENT OF AGRICULTURE**

The amount reported for the National School Lunch Program – Noncash Assistance (Commodities) represents nonmonetary assistance and is reported in the Schedule at the fair market value of the commodities received. The amounts reported for the National School Breakfast, National School Lunch – Cash Assistance, and Fruit and Vegetable Program represent cash receipts from federal reimbursements.

**NOTE 4 U.S. DEPARTMENT OF TRANSPORTATION**

The amount reported for the Interagency Hazardous Materials Public Sector Training and Planning Grants program represents federal cash receipts.

**NOTE 5 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

The amount reported for the School-Based Medicaid Reimbursement Program represents federal reimbursements for the Administrative Activity Claims.

**NOTE 6 U.S. DEPARTMENT OF HOMELAND SECURITY**

The amounts reported for the FEMA Public Assistance and Emergency Management Performance Grants programs represent federal cash receipts.

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes  no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes  none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes  no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes  no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes  none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes  no

***Identification of Major Federal Programs***

|        |  |
|--------|--|
| 14.239 | HOME Investment Partnerships Program       |
| 84.010 | Title I Grants to Local Education Agencies |

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

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***Section I – Summary of Auditors’ Results (Continued)***

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Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 1,879,034

Auditee qualified as low-risk auditee pursuant  
to Uniform Guidance?

    x     yes                 no

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matter required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any findings or questioned costs related to major federal programs.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

