

**CITY OF WORCESTER, MASSACHUSETTS  
GAO AND UNIFORM GUIDANCE REPORTS  
YEAR ENDED JUNE 30, 2025**



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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, 2025, 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 15, 2025. The financial statements of Upper Blackstone Clean Water were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Upper Blackstone Clean Water.

**Report on 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) 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 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.

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 or significant deficiencies may exist that were not identified.

Honorable Mayor and City Council  
City of Worcester, Massachusetts

### **Report on 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 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 Worcester, Massachusetts' 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 15, 2025



**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**

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

We have audited the City of Worcester, Massachusetts' 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 the City of Worcester, Massachusetts' major federal programs for the year ended June 30, 2025. 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.

In our opinion, the City of Worcester, Massachusetts 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, 2025.

***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 the City of Worcester, Massachusetts 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 the City of Worcester, Massachusetts' 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 the City of Worcester, Massachusetts' federal programs.

### ***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 the City of Worcester, Massachusetts' 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 the City of Worcester, Massachusetts' 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 the City of Worcester, Massachusetts' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Worcester, Massachusetts' 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 the City of Worcester, Massachusetts' 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.

Honorable Mayor and City Council  
City of Worcester, Massachusetts

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, 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, 2025, and the related notes to the financial statements, which collectively comprise the City of Worcester, Massachusetts' basic financial statements. We have issued our report thereon dated December 15, 2025, 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, Worcester Redevelopment Authority and Upper Blackstone Clean Water. 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 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**

Boston, Massachusetts  
February 21, 2026

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program Name	Federal ALN Number	Pass-Through Identifying Number	Federal Expenditures	Awards to Subrecipients
<b>U.S. Department of Agriculture</b>				
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
<u>Child Nutrition Cluster</u>				
National School Lunch Program - Cash Assistance	10.555	14-348	\$ 22,794,420	\$ -
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	14-348	1,013,337	-
Subtotal ALN 10.555 and Child Nutrition Cluster			23,895,757	-
Supplemental Nutrition Assistance Program	10.561	14-348	4,724	-
Total U.S. Department of Agriculture			23,900,481	-
<b>U.S. Department of Housing and Urban Development</b>				
<u>Direct programs:</u>				
Community Development Block Grant	14.218	Not Applicable	3,023,974	849,003
Emergency Shelter Grants Program	14.231	Not Applicable	319,235	209,139
Supportive Housing Program	14.235	Not Applicable	2	-
Shelter Plus Care Program	14.238	Not Applicable	872	-
HOME Investment Partnerships Program	14.239	Not Applicable	1,084,613	1,046,044
Housing Opportunities for Persons with AIDS	14.241	Not Applicable	874,393	874,393
Moving to Work Demonstration Program	14.881	Not Applicable	126,574	-
Lead Hazard Reduction Demonstration Grant Program	14.905	Not Applicable	1,284,692	-
Total U.S. Department of Housing and Urban Development			6,714,355	2,978,579
<b>U.S. Department of Justice</b>				
<u>Direct programs:</u>				
Violence Against Women Improving Criminal Justice Responses	16.590	Not Applicable	163,085	61,686
Weed and Seed Communities Competitive Program Guide	16.595	Not Applicable	80	-
Bulletproof Vest Partnership Program	16.607	Not Applicable	92	-
Edward Byrne Memorial Justice Assistance Grant	16.738	Not Applicable	127,104	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Not Applicable	19	-
Edward Byrne Memorial Criminal Justice Innovative Program	16.817	Not Applicable	2	-
Stop School Violence Program	16.839	Not Applicable	268,336	-
<u>Passed through the Executive Office of Public Safety and Security</u>				
Violence Against Women Formula Grants	16.588	SCEPS300VAWA019WORCE SCEPSVAWA019WORCESTER	948	-
Total U.S. Department of Justice			559,666	61,686
<b>U.S. Department of Labor</b>				
<u>Passed through the State Department of Career Services:</u>				
WIOA Adult Program	17.258	CT EOL CCWORCWIA	871,194	-
WIOA Youth Activities	17.259	CT EOL CCWORCWIA	1,117,766	-
WIOA Dislocated Workers	17.278	CT EOL CCWORCWIA	937,086	-
Subtotal WIOA Cluster			2,926,046	-
Employment Service/Wagner-Peyser Funded Activities	17.207	CT EOL CCWORCWP	78,931	-
Unemployment Insurance	17.225	CT EOL CCWORCVETSUI	152,906	-
Trade Adjustment Assistance	17.245	CT EOL CCWORCTrade	8,419	-
H1B Job Training Grants	17.268	Not Available	4,397	-
State Apprenticeship Expansion Formula	17.285	Not Available	828	-
Job Corps Experimental Projects and Technical Assistance	17.287	Not Available	9,530	-
Disabled Veterans' Outreach Program	17.801	CT EOL CCWORCVETSUI	47,347	-
Total U.S. Department of Labor			3,228,404	-
<b>U.S. Department of Transportation</b>				
<u>Direct Programs:</u>				
Safe Streets and Roads for All	20.939	Not Applicable	113,578	-
<b>U.S. Department of Treasury</b>				
<u>Direct programs:</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21027	Not Applicable	43,269,928	20,332,231
<b>National Endowment for the Arts</b>				
<u>Direct Programs:</u>				
Promotion of the Arts	45.024	Not Applicable	15,137	-
<b>Environmental Protection Agency</b>				
<u>Direct Programs:</u>				
Brownfields Job Training Cooperative Agreements	66.815	Not Applicable	5,850	-
Brownfields MARC Grants	66.818	Not Applicable	2,271,902	-
Total Environmental Protection Agency			2,277,752	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program Name	Federal ALN Number	Pass-Through Identifying Number	Federal Expenditures	Awards to Subrecipients
<b>U.S. Department of Education</b>				
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
Adult Education	84.002	MA DESE Code 359	\$ 348,170	\$ -
Title I Distribution	84.010	MA DESE Code 305	14,504,278	-
<i>Special Education Cluster</i>				
SPED 94-142 Allocation	84.027	MA DESE Code 240	9,247,496	-
<u>Passed through the State Department of Early Education and Care:</u>				
<i>Special Education Cluster (continued)</i>				
SPED Early Childhood Program Improvement	84.173	MA DESE Code 274	292,723	-
Subtotal Special Education Cluster			<u>9,540,219</u>	-
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
Perkins Secondary	84.048	MA DESE Code 400	753,915	-
McKinney-Vento Homeless Education	84.196	MA DESE Code 310	99,125	-
Massachusetts 21st Century Community Learning Centers	84.287	MA DESE Code 645	156,000	-
Title III - English Language Acquisition	84.365	MA DESE Code 180	1,452,169	-
Title IIA - Improving Teacher Quality	84.367	MA DESE Code 140	937,686	-
Title IV	84.424	MA DESE Code 309	1,314,873	-
COVID-19 - Education Stabilization Fund	84.425D	MA DESE Code 423	<u>8,552,114</u>	-
Total U.S. Department of Education			37,658,549	-
<b>U.S. Department of Health and Human Services</b>				
<u>Direct Programs:</u>				
Head Start Program	93.600	Not Applicable	8,080,318	-
Racial and Ethnic Approaches to Community Health Program	93.738	Not Applicable	513,16	-
<u>Passed through the State Department of Public Health:</u>				
Public Health and Social Services Emergency Fund	93.003	INTF6207P01W1131282	170	-
Public Health Emergency Preparedness	93.069	4510-0404/4516-10214512-9069	18	-
Partnership for the Enhancement of the Regional Preparedness	93.074	4510-0404/4516-1021	751,962	-
Childhood Lead Poisoning Prevention Program	93.197	180627	48,904	-
Certified Community Behavioral Health Clinic	93.230	Not Available	75	-
Disease Control Prevention Investigations Technical Assistance	93.283	Not Available	51	-
COVID-19 - COVID Contract Tracing	93.323	Not Available	277,980	-
Public Health Emergency Response	93.354	Not Available	353,929	-
Refugee and Entrant Assistance	93.566	Not Available	107,412	-
Opioid Fund	93.788	Not Available	286,930	42,500
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1901284512-9069	379,740	23,500
PPHF Geriatric Education Centers	93.969	Not Available	<u>26</u>	-
Total U.S. Department of Health and Human Services			10,338,831	66,000
<b>U.S. Department of Homeland Security</b>				
<u>Direct Programs:</u>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not Applicable	6,956,080	-
<u>Passed through the State Office of Emergency Management:</u>				
Emergency Management Performance Grants	97.042	EMPG	<u>94,219</u>	-
Total U.S. Department of Homeland Security			<u>7,050,299</u>	-
Total			<u>\$ 135,126,980</u>	<u>\$ 23,438,496</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, 2025**

**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, 2025. 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 accrual 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 PROGRAMS**

The amount reported for the National School Lunch Program – Non-Cash Assistance (Commodities) represents non-monetary assistance and is reported in the schedule at the fair market value of the commodities received. The amounts reported for the National School Lunch Program – Cash Assistance represent cash receipts from federal reimbursements.

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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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        x   no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   none reported
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        x   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 Subpart F, Section 516(a) of the Uniform Guidance? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

<b>Federal Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.010	Title I Distribution

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

\$	3,000,000	Type A
\$	750,000	Type B

Auditee qualified as low-risk auditee pursuant to Uniform Guidance? \_\_\_\_\_   x   yes      \_\_\_\_\_ no

**CITY OF WORCESTER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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Our audit did not disclose any matters 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 matters required to be reported in accordance with Uniform Guidance.



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