



## **CITY OF BOSTON, MASSACHUSETTS**

Independent Auditors' Reports as Required by Title 2 U.S. Code  
of Federal Regulations Part 200, Uniform Administrative Requirements,  
Cost Principles, and Audit Requirements for Federal Awards and  
*Government Auditing Standards* and Related Information

Year Ended June 30, 2021

**CITY OF BOSTON, MASSACHUSETTS**

**Table of Contents**

	<b>Exhibit</b>
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	I
Schedule of Expenditures of Federal Awards	II
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	III
Schedule of Findings and Questioned Costs	IV



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

Exhibit I

**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**

The Honorable Mayor and City Council  
City of Boston, Massachusetts:

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

We have audited the City of Boston, Massachusetts' (the City) 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's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Boston Planning and Development Agency, Boston Public Health Commission, the Economic Development and Industrial Corporation of Boston, and the Trustees of the Public Library of the City of Boston, that received federal awards that are not included in the City's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of these entities because they engaged other auditors to perform audits in accordance with the Uniform Guidance.

*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'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'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's compliance.



*Opinion on Each Major Federal Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

*Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The City's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

**Report on Internal Control over Compliance**

Management of the City 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'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's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.



## Exhibit I

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The City's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2022 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 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 financial statements or to the 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 financial statements as a whole.

*KPMG LLP*

Boston, Massachusetts  
June 10, 2022

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Exhibit II

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal Assistance Listing Number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
U.S. Department of Agriculture:			
Passed-through Fair Food Network:			
Food Insecurity Nutrition Incentive Grants Program	10.331	\$ —	165,796
Passed-through Commonwealth Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
National School Lunch Program (note 2)	10.555	—	812,512
Summer Food Service Program for Children (note 2)	10.559	—	20,614,765
Total Child Nutrition Cluster		—	21,427,277
Fresh Fruit and Vegetable Program	10.582	—	335,386
Total U.S. Department of Agriculture		—	21,928,459
U.S. Department of Defense:			
Direct programs:			
Language Grant Program	12.900	—	14,271
Total U.S. Department of Defense		—	14,271
U.S. Department of Housing and Urban Development:			
Direct programs:			
CDBG Entitlement Grants Cluster:			
Community Development Block Grants – Entitlement Grant	14.218	4,872,072	18,857,208
COVID-19 Community Development Block Grants – Entitlement Grant	14.218	—	(988,199)
Total CDBG Entitlement Grants Cluster		4,872,072	17,869,009
Emergency Solutions Grants:			
Emergency Solutions Grants Program	14.231	968,305	1,550,164
COVID-19 Emergency Solutions Grants Program	14.231	1,133,040	1,192,148
Total Emergency Solutions Grants Cluster		2,101,345	2,742,312
H.O.M.E. Investment Partnerships Program (note 3)	14.239	—	134,410,800
Housing Opportunities for Persons with AIDS	14.241	3,269,327	3,347,497
Brownfields Economic Development Initiative	14.246	—	13,523
Community Development Block Grants_Section 108 Loan Guarantees	14.248	—	2,190,585
Continuum of Care Program	14.267	30,809,419	32,403,930
Fair Housing Assistance Program: State and Local	14.401	—	261,915
Lead Hazard Reduction Demonstration Grant Program	14.905	6,675	781,552
Passed-through Boston Housing Authority:			
Choice Neighborhood Implementation Grant	14.889	—	1,050,683
Total U.S. Department of Housing and Urban Development		41,058,838	195,071,806
U.S. Department of Justice:			
Direct programs:			
Missing Alzheimer's Disease Patient Assistance Program	16.015	—	111,128
Coronavirus Emergency Supplemental Funding Program	16.034	—	506,599
Edward Byrne Memorial Justice Assistance Grant	16.738	—	256,821
DNA Backlog Reduction Program	16.741	—	153,829
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	34,088	78,973
Comprehensive Opioid Abuse Site-Based Program	16.838	2,400	103,828
Passed-through The Committee for Public Counsel Services:			
Postconviction Testing of DNA Evidence	16.820	—	1,016
Passed-through American Institute for Research:			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	—	78,380
Passed-through Commonwealth Executive Office of Public Safety:			
Violence Against Women Formula Grants	16.588	—	130,945
Passed-through Center for Supportive Schools:			
Juvenile Mentoring Program	16.726	—	16,800
Passed-through Massachusetts Department of State Police:			
Paul Coverdell Forensic Sciences Improvement Grant	16.742	—	30,185
Total U.S. Department of Justice		36,488	1,468,504
U.S. Department of Transportation:			
Highway Planning and Construction Cluster:			
Direct Program	20.205	—	91,192
Passed-through Commonwealth Executive Office of Transportation	20.205	—	8,106
Total Highway Planning and Construction Cluster		—	99,298
Passed-through Commonwealth Executive Office of Public Safety/Administration:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	—	22,735
Total Highway Safety Cluster		—	22,735
Passed-through National Safety Council:			
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	—	2,948
Total U.S. Department of Transportation		—	124,981

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Exhibit II

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal Assistance Listing Number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
U.S. Department of Treasury:			
Direct Program:			
COVID-19 Coronavirus Relief Fund	21.019	\$ 12,399,935	68,894,223
COVID-19 Emergency Rental Assistance Program	21.023	7,529,867	7,534,493
Passed-through Commonwealth Department of Elementary and Secondary Education:			
COVID-19 Coronavirus Relief Fund	21.019	—	284,709
Total U.S. Department of Treasury		<u>19,929,802</u>	<u>76,713,425</u>
National Endowment for the Arts:			
Direct program:			
Promotion of the Arts	45.024	—	13,000
COVID-19 Promotion of the Arts Fund	45.024	—	225,000
Total National Endowment for the Arts		—	<u>238,000</u>
National Endowment for the Humanities:			
Direct program:			
Promotion of the Humanities	45.149	—	104,875
Total National Endowment for the Humanities		—	<u>104,875</u>
National Science Foundation:			
Passed-through University of Massachusetts:			
Education and Human Resources	47.076	—	168,998
Total National Science Foundation		—	<u>168,998</u>
U.S. Environmental Protection Agency:			
Direct programs:			
Reducing Lead in Drinking Water	66.443	—	1,148
Total U.S. Environmental Protection Agency		—	<u>1,148</u>
U.S. Department of Education:			
Direct program:			
Education Research, Development and Dissemination	84.305	—	945
Passed-through Commonwealth Department of Elementary and Secondary Education:			
Adult Education – Basic Grants to States	84.002	—	228,574
Title I – Grants to Local Educational Agencies	84.010	—	31,905,525
Special Education (IDEA) Cluster:			
Special Education - Grants to States	84.027	—	14,183,636
Special Education – Preschool Grants	84.173	—	459,888
Total Special Education (IDEA) Cluster		—	<u>14,643,524</u>
Career and Technical Education - Basic Grants to States	84.048	—	1,431,538
Education for Homeless Children and Youth	84.196	—	87,569
Twenty-First Century Community Learning Centers	84.287	—	563,379
English Language Acquisition State Grants	84.365	—	3,036,544
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	—	3,259,529
School Improvement Grants	84.377	—	183,997
Student Support and Academic Enrichment Program	84.424	—	2,692,332
COVID-19 Education Stabilization Fund	84.425D	—	18,878,059
Disaster Recovery Assistance for Education	84.938	—	18,525
Passed-through Spurwink Services, Inc.:			
i3 Scale Up Grant -Building Assets Reducing Risks	84.411	—	37,090
Total U.S. Department of Education		—	<u>76,967,130</u>

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal Assistance Listing Number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
U.S. Department of Health and Human Services:			
Direct programs:			
Cooperative Agreements to Promote Adolescent Health	93.079	\$ —	394,052
Substance Abuse and Mental Health Services	93.243	—	520,689
Every Student Succeeds Act	93.434	—	198,877
Passed-through Commonwealth Executive Office of Elderly Affairs:			
Special Programs for the Aging:			
Title VII, Chapter 2:			
Title VII, Chapter 2	93.042	81,584	81,584
COVID-19 Title VII, Chapter 2	93.042	2,347	2,347
Total Title VII, Chapter 2		83,931	83,931
Title III, Part D:			
Title III, Part D	93.043	72,334	395,228
COVID-19 Title III, Part D	93.043	—	1,242
Total Title III, Part D		72,334	396,470
National Family Caregiver Support, Title III, Part E			
Title III, Part E:			
Title III, Part E	93.052	225,216	225,216
COVID-19 Title III, Part E	93.052	253,688	253,688
Total Title III, Part E		478,904	478,904
Aging Cluster:			
Special Programs for the Aging:			
Title III, Part B:			
Title III, Part B	93.044	721,199	952,175
COVID-19 Title III, Part B	93.044	150,860	150,865
Total Title III, Part B		872,059	1,103,040
Title III, Part C:			
Title III, Part C	93.045	274,870	274,870
COVID-19 Title III, Part C	93.045	1,912,586	1,912,586
Total Title III, Part C		2,187,456	2,187,456
Nutritional Services Incentive Program	93.053	534,833	535,641
Total Aging Cluster		3,594,348	3,826,137
Passed-through Massachusetts Councils On Aging:			
Alzheimer's Disease Initiative:			
Specialized Supportive Services Project Thru Prevention and Public Health Funds	93.763	—	16,787
Total U.S. Department of Health and Human Services		4,229,517	5,915,847
Corporation for National and Community Services:			
Direct programs:			
Retired and Senior Volunteer Program	94.002	—	128,754
Foster Grandparent/Senior Companion Cluster:			
Senior Companions Programs	94.016	—	261,165
Total Corporation for National and Community Services		—	389,919
U.S. Department of Homeland Security:			
Passed-through Massachusetts Emergency Management Agency:			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	—	8,348,511
Emergency Management Performance Grants	97.042	—	69,345
Hazard Mitigation Grant	97.039	—	120,450
Passed-through Commonwealth Executive Office of Public Safety:			
Homeland Security Grant Program	97.067	3,785,090	13,154,520
Regional Catastrophic Preparedness Grant Program	97.111	—	169,687
Total U.S. Department of Homeland Security		3,785,090	21,862,513
Total expenditures of federal awards		\$ 69,039,735	400,969,876

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF BOSTON, MASSACHUSETTS**

## Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

**(1) Reporting Entity**

The basic financial statements of the City of Boston, Massachusetts (the City) include various component units that have separate single audits conducted in accordance with the Uniform Guidance. The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs of the City, exclusive of component units.

All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule of expenditures of federal awards.

**(2) Summary of Significant Accounting Policies**

The accounting and reporting policies of the City are set forth below:

**(a) Basis of Presentation**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

**(b) School Breakfast/Lunch Programs**

The City accounts for local, state, and federal expenditures of the National School Lunch and School Breakfast programs in a combined fund. Program expenditures in the accompanying schedule of expenditures of federal awards represent total federal reimbursements for meals provided during fiscal 2021.

**(c) National School Lunch (CFDA # 10.555)**

Noncash contributions of commodities under the National School Lunch Program are received under a state distribution formula and are valued at federally published wholesale prices for purposes of the schedule of federal awards. During fiscal 2021, the City received \$812,512 of noncash contributions of commodities passed through the Commonwealth of Massachusetts. These commodities are not recorded in the financial records, although memorandum records are maintained.

**(3) H.O.M.E. Investment Partnership Program Loans (CFDA # 14.239)**

Total expenditures in the accompanying schedule of expenditures of federal awards for the H.O.M.E. Investment Partnership (H.O.M.E.) program include the total amount of new loans made during fiscal year 2021, as well as the unpaid principal balance from loans originated in previous years that are subject to continuing compliance requirements, as defined by the Uniform Guidance. As of June 30, 2021, the H.O.M.E. program had year end loan balances subject to continuing compliance requirements of \$131,601,216.

**(4) Indirect Cost Rate**

The City has elected to not use the 10% de minimis indirect cost rate as discussed in Section 200.514 of the Uniform Guidance.



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

**Exhibit III**

**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***

The Honorable Mayor and City Council  
City of Boston, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Boston, Massachusetts (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2022. Our report includes a reference to other auditors who audited the financial statements of Dudley Square Realty Corporation, the Ferdinand Building Development Corporation, certain Other Governmental Funds, the Boston Retirement System, the City's OPEB Trust Fund, the City's Private-Purpose Trust Funds, the Boston Public Health Commission, the Trustees of the Public Library of the City of Boston, and the Economic Development and Industrial Corporation of Boston, as described in our report on the City's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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'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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Boston, Massachusetts  
January 31, 2022

**CITY OF BOSTON, MASSACHUSETTS**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2021

**(1) Summary of Auditors' Results**

*Financial Statements*

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified for all opinion units**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **None Reported**
  - Significant deficiencies: **None Reported**
- (c) Noncompliance material to the financial statements: **No**

*Federal Awards*

- (d) Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **Yes**
  - Significant deficiencies: **Yes**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**
- (g) Identification of Major Programs

<u>Name of federal program or cluster</u>	<u>Federal Assistance Listing Number</u>
CDBG Entitlement Grants Cluster:	
Community Development Block Grants – Entitlement Grant	14.218
COVID-19 Community Development Block Grants – Entitlement Grant	14.218
H.O.M.E. Investment Partnerships Program	14.239
Continuum of Care Program	14.267
COVID-19 Coronavirus Relief Fund	20.019
COVID-19 Emergency Rental Assistance	21.023
Title I – Grants to Local Educational Agencies	84.010
Improving Teacher Quality State Grants	84.367
COVID-19 Education Stabilization Fund	84.425D
Disaster Grants – Public Assistance	97.036

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee: **No**

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None noted.

**CITY OF BOSTON, MASSACHUSETTS**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2021

**(3) Findings and Questioned Costs Relating to Federal Awards**

**Finding number:** 2021-001

**Federal Agency:** U.S. Department of Housing and Urban Development

**Pass-through Agency:** N/A – Direct Funding

**Program:** CDBG Entitlement Grants Cluster

**CFDA#:** 14.218

**Award number:** B-20-MC-25-0002

**Award year:** July 1, 2020 to September 1, 2027

**Finding:** Internal Control and Compliance over FFATA Reporting

**Prior Year Finding:** No

**Type of Finding:** Significant Deficiency

*Criteria*

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reporting should be made in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Additionally, 2 CFR 200.303 indicates that non-Federal entities receiving Federal awards must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

*Condition*

Based on a review of the FFATA reports submitted by the City of Boston Auditing Department in the FSRS system, it was noted that such documents were not submitted in a timely manner to meet the above required reporting timeline. For 10 out of 10 of the selected reports, the submission dates did not meet the compliance deadline.

*Cause*

This appears to be due to insufficient policies and procedures in place to ensure reports are submitted within the required timeframe noted above.

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

*Effect*

The City is not in compliance with the FFATA reporting requirements.

*Whether Sampling was Statistically Valid*

The sample was not intended to be, and was not, a statistically valid sample.

**Questioned Costs:**

None

**Recommendation:**

We recommend that the City enhance their policies and procedures related to the submission of the FFATA reports to ensure they are submitted within the required timeframe.

**View of Responsible Officials from the Auditee:**

The City has incorporated a monthly procedure for the review and submission of FFATA reporting.

**CITY OF BOSTON, MASSACHUSETTS**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2021

<b>Finding number:</b>	2021-002
<b>Federal Agency:</b>	U.S. Department of Education
<b>Pass-through Agency:</b>	Massachusetts Department of Elementary and Secondary Education
<b>Program:</b>	Title I, Grants to Local Education Agencies
<b>CFDA #:</b>	84.010
<b>Award numbers:</b>	Various
<b>Award years:</b>	Various
<b>Finding:</b>	Internal Control and Compliance over Annual Report Card, High School Graduation Rate
<b>Prior Year Finding:</b>	Yes, 2020-004
<b>Type of Finding:</b>	Material Weakness

*Criteria*

Beginning with annual report cards providing assessment results for the 2010–2011 school year, a state educational agency (SEA) and its local educational agencies (LEAs) must report graduation rate data for all public high schools at the school, LEA, and State levels using the 4-year adjusted cohort rate under 34 CFR section 200.19(b)(1)(i)-(iv)). Additionally, SEAs and LEAs must include the 4-year adjusted cohort graduation rate (which may be combined with an extended-year adjusted cohort graduation rate or rates) in adequate yearly progress (AYP) determinations beginning with determinations based on assessments administered in the 2011–2012 school year. Graduation rate data must be reported both in the aggregate and disaggregated by each subgroup described in 34 CFR section 200.13(b)(7)(ii) using a 4-year adjusted cohort graduation rate. To remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, immigrated to another country, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

Additionally, 2 CFR 200.303 indicates that non-Federal entities receiving Federal awards must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

*Condition*

For 17 of 40 students removed from their respective cohorts in the Student Information Management System (SIMS) selected for testing, the City of Boston Public Schools (BPS) could not provide any official written documentation that the student emigrated to another country, is deceased, or is enrolled in another school or in an education program that culminates in the award of a regular high school diploma.

**CITY OF BOSTON, MASSACHUSETTS**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

*Cause*

This appears to be due to insufficient review of supporting documentation before removal of students from the adjusted cohort graduation rate.

*Effect*

BPS is potentially misstating the number of students in the adjusted cohorts used by the Commonwealth of Massachusetts to determine the 4-year adjusted cohort graduation rate.

*Whether Sampling was Statistically Valid*

The sample was not intended to be, and was not, a statistically valid sample.

**Questioned Costs:**

None

**Recommendation:**

BPS management should re-familiarize and re-enforce the requirements with staff related to the removal of students from the adjusted cohorts used to determine the 4-year adjusted cohort graduation rate and the policies and procedures to obtain and monitor official written documentation of student transfers required to remove students from their respective cohort.

**View of Responsible Officials from the Auditee:**

BPS' management has continued to enhance their policies and procedures to improve the process over students being removed from the cohort.

BPS is partnering with an outside consulting firm for this area of compliance. The scope of work will include a review of the current process and a review of student enrollment data. The final report will provide recommendations of process improvements.