

**State Single Audit
of the
Town of East Haven, Connecticut
For the Year Ended June 30, 2021**

Town of East Haven, Connecticut

For the Year Ended June 30, 2021

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**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***

Independent Auditors' Report

**Board of Finance
Town of East Haven, Connecticut**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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.

**Board of Finance
Town of East Haven, Connecticut**

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 28, 2021



**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report
on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

**Board of Finance
Town of East Haven, Connecticut**

Report on Compliance for Each Major State Program

We have audited the Town of East Haven, Connecticut's ("Town") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2021. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Town'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 state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town 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 state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town 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 Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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 Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Board of Finance
Town of East Haven, Connecticut**

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Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 28, 2021, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 28, 2021

Town of East Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core- CT Number	Passed Through to Subrecipients	Total Expenditures
<u>Department of Education:</u>			
Primary Mental Health	11000-SDE64370-12198	\$ -	\$ 19,199
Talent Development	11000-SDE64370-12552	-	7,098
Family Resource Centers	11000-SDE64370-16110	-	101,530
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	18,171
Healthy Foods Initiative	11000-SDE64370-16212	-	26,247
Adult Education	11000-SDE64370-17030	-	488,623
Alliance District	11000-SDE64370-17041	-	1,428,414
Bilingual Education	11000-SDE64370-17042	-	12,469
School Breakfast	11000-SDE64370-17046	-	21,725
Open Choice	11000-SDE64370-17053	-	52,996
<u>Passed through ACES:</u>			
Open Choice	11000-SDE64370-17053	-	55,250
Magnet Schools	11000-SDE64370-17057	-	7,800
<u>Department of Administrative Services:</u>			
Alliance District General Improvements	12052-DAS27635-43651	-	247,097
<u>Department of Social Services:</u>			
Medicaid	11000-DSS60000-16020	-	141,349
<u>Department of Transportation:</u>			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	200,006
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	-	200,006
<u>Office of Early Childhood:</u>			
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,881
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274	-	402,918
Smart Start	11000-OEC64845-16279	-	153,400
<u>Department of Children and Families:</u>			
Youth Services Bureau	11000-DCF91141-17052	-	20,529
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	10,734
<u>Department of Energy and Environmental Protection:</u>			
PEGPETIA Grant Program	12060-DEP44620-35363	-	64,700
<u>Office of Policy and Management:</u>			
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	-	462,357
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	4,372
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	-	1,986
Property Tax Relief for Veterans	11000-OPM20600-17024	-	57,550
Local Capital Improvement Program	12050-OPM20600-40254	-	523,460
Municipal Grants-in-Aid	12052-OPM20600-43587	-	43,500
<u>Connecticut State Library:</u>			
State Grants to Public Libraries	11000-CSL66051-17003	-	662
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
Total State Financial Assistance before Exempt Programs			4,785,529

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of East Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Core- CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Exempt Programs:			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041	\$ -	\$ 18,701,002
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	1,010,186
<u>Office of Policy and Management:</u>			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	<u>82,006</u>
Total Exempt Programs			<u>19,793,194</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 24,578,723</u>

(Concluded)

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of East Haven, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2021

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of East Haven, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, education, public safety, public works, health and welfare, and culture and recreation.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

3. Prior year findings and questioned costs

There were no prior year audit findings or questioned costs.

Town of East Haven, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified opinion

Internal control over financial reporting:
 Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:
 Material weakness(es) identified yes x no
 Significant deficiency(ies) identified? yes x none reported

Type of auditors' opinion issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations of the State Single Audit Act? yes x no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education: Alliance District	11000-SDE64370-17041	\$ 1,428,414
Office of Early Childhood: Smart Start	11000-OEC64845-16279	153,400
Office of Policy and Management: Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	462,357
Local Capital Improvement Program	12050-OPM20600-40254	523,460
Dollar threshold used to distinguish between type A and type B programs:		<u>\$200,000</u>

Town of East Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

II - Financial Statement Findings

None.

III - State Financial Assistance Findings and Questioned Costs

None.