

**Federal Single Audit
and
State Single Audit
of the
Town of East Haven, Connecticut
For the Year Ended June 30, 2023**

Town of East Haven, Connecticut

For the Year Ended June 30, 2023

Table of Contents

Page

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*

1-2

Federal Single Audit

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

3-5

Schedule of Expenditures of Federal Awards

6-7

Notes to Schedule of Expenditures of Federal Awards

8

Schedule of Findings and Questioned Costs

9

State Single Audit

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

10-12

Schedule of Expenditures of State Financial Assistance

13-14

Notes to Schedule of Expenditures of State Financial Assistance

15

Schedule of Findings and Questioned Costs

16

**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, 2023, 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, 2023.

Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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.

Report on 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, 2023

Federal Single Audit

**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**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of East Haven, Connecticut's ("Town") 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 Town's major federal programs for the year ended June 30, 2023. The Town's 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 Town 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, 2023.

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 Town 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 Town's 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 Town's 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 Town's 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 Town's 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 Town's 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 Town's 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 Town's 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.

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

Page 3

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 the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 28, 2023, which contained unmodified opinions on those financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 28, 2023

Town of East Haven, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Awarding Agency/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture:</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 425,024
National School Lunch Program - Cash	10.555	State Department of Education	12060-SDE64370-20560	-	1,294,062
National School Lunch Program - Commodities	10.555	State Department of Administrative Services	N/A	-	50,862
Summer Food Service Program for Children - Operating	10.559	State Department of Education	12060-SDE64370-20540	-	110,010
Summer Food Service Program for Children - Administration	10.559	State Department of Education	12060-SDE64370-20548	-	9,191
Fresh Fruit and Vegetable Program - Cash	10.582	State Department of Education	12060-SDE64370-22051	-	83,323
Fresh Fruit and Vegetable Program - Commodities	10.582	State Department of Administrative Services	N/A	-	99,994
Total Child Nutrition Cluster					\$ 2,072,466
COVID-19 State Administrative Expenses for Child Nutrition	10.560	State Department of Education	12060-SDE64370-23126	-	78,441
COVID-19 Pandemic EBT Administrative Costs	10.649	State Department of Education	12060-SDE64370-29802	-	5,024
Total U.S. Department of Agriculture					2,155,931
<u>U.S. Department of Justice:</u>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	State Office of Policy and Management	12060-OPM20350-21921	-	16,995
Equitable Sharing Program	16.922	Direct Program	N/A	-	18,200
Total U.S. Department of Justice					35,195
<u>U.S. Department of Transportation:</u>					
Highway Planning and Construction	20.205	State Department of Transportation	12062-DOT57191-22108	-	1,177
<u>U.S. Department of the Treasury:</u>					
Coronavirus State and Local Fiscal Recovery Funds:					
Coronavirus State and Local Fiscal Recovery Funds		Direct Program	N/A	-	3,762,544
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan					
- School Mental Health Workers		State Department of Education	12060-SDE64370-28094-2023	-	12,368
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan					
- School Readiness - Competitive Enrollment-based		State Office of Early Childhood	12060-OEC64845-28227-2023	-	41,280
Total Coronavirus State and Local Fiscal Recovery Funds	21.027				3,816,192
<u>U.S. Department of Education:</u>					
Adult Education - Basic Grants to States	84.002	State Department of Education	12060-SDE64370-20784-2023	-	80,000
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2022	-	429,556
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2023	-	472,927
Total Title I Grants to Local Educational Agencies	84.010				902,483
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - Special Education Activities		State Department of Education	12060-SDE64370-20977-2021	-	10,000
Special Education - Grants to States (IDEA, Part B) - Paraeducator Professional Development Activities		State Department of Education	12060-SDE64370-20977-2021	-	5,000
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2022	-	398,306
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2023	-	378,683
Special Education - Grants to States (IDEA, Part B) - CT SEDS Implementation Stipend		State Department of Education	12060-SDE64370-20977-2023	-	20,000
COVID-19 American Rescue Plan - Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-23083-2023	-	13,610
Total Special Education - Grants to States (IDEA, Part B)	84.027				825,599

(Continued)

See Notes to Schedule of Expenditures of Federal Awards

Town of East Haven, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
Special Education - Preschool Grants (IDEA, Preschool)		State Department of Education	12060-SDE64370-20983-2022	\$ -	\$ 36,281
Special Education - Preschool Grants (IDEA, Preschool)		State Department of Education	12060-SDE64370-20983-2023	-	781
COVID-19 American Rescue Plan - Special Education - Preschool Grants (IDEA, Preschool)		State Department of Education	12060-SDE64370-29684-2022	-	<u>1,774</u>
Total Special Education - Preschool Grants (IDEA, Preschool)	84.173				<u>38,836</u>
Total Special Education Cluster (IDEA)					\$ 864,435
Career and Technical Education - Basic Grants to States (Perkins IV)		State Department of Education	12060-SDE64370-20742-2021	-	49,993
Career and Technical Education - Basic Grants to States (Perkins IV)		State Department of Education	12060-SDE64370-20742-2023	-	<u>52,744</u>
Total Career and Technical Education - Basic Grants to States (Perkins IV)	84.048				102,737
English Language Acquisition State Grants (Title III Part A)		State Department of Education	12060-SDE64370-20868-2022	-	36,009
English Language Acquisition State Grants (Title III Part A)		State Department of Education	12060-SDE64370-20868-2023	-	<u>17,244</u>
Total English Language Acquisition State Grants (Title III Part A)	84.365				53,253
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2022	-	55,966
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2023	-	<u>84,886</u>
Total Supporting Effective Instruction State Grants	84.367				140,852
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2022	-	40,105
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2023	-	<u>43,480</u>
Total Student Support and Academic Enrichment Program (Title IV)	84.424				83,585
Education Stabilization Fund (ESF):					
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Special Populations \$25K Recovery Grant	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	5,000
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Dyslexia Recovery Grant	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	5,200
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER II Funds	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	781,972
COVID-19 Elementary and Secondary School Emergency Relief Fund - Family Resource Center - ESSER II	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	25,000
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP ESSER Funds	84.425U	State Department of Education	12060-SDE64370-29571-2021	-	1,985,528
COVID-19 Elementary and Secondary School Emergency Relief Fund - FAFSA Challenge	84.425U	State Department of Education	12060-SDE64370-29571-2021	-	8,040
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP ESSER Homeless Children and Youth (HCY) II	84.425W	State Department of Education	12060-SDE64370-29650-2021	-	<u>1,245</u>
Total Education Stabilization Fund (ESF)	84.425				<u>2,811,985</u>
Total U.S. Department of Education					<u>5,039,330</u>
<u>U.S. Election Assistance Commission</u>					
Help America Vote Act Requirements Payments	90.401	Secretary of the State	12060-SOS12500-21465	-	<u>6,841</u>
<u>U.S. Department of Health and Human Services:</u>					
CCDF Cluster:					
COVID-19 Child Care Development Block Grant	93.575	State Office of Early Childhood	12060-OEC64806-29646	-	<u>75,000</u>
Total Federal Awards				<u>\$ -</u>	<u>\$ 11,129,666</u>
N/A - Not available or not applicable					(Concluded)

See Notes to Schedule of Expenditures of Federal Awards

Town of East Haven, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

1. Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of East Haven, Connecticut ("Town") under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the 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

- A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash federal awards

The Town received and expended USDA donated commodities of \$50,862 under the National School Lunch Program and \$99,994 under the Fresh Fruit and Vegetable Program.

4. Prior year findings and questions 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, 2023**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> x </u> no
		none
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> reported

Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no
---	-----------------------	-------------------------

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> x </u> no
		none
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u> </u> yes	<u> x </u> no
--	-----------------------	-------------------------

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>
--	-------------------

Auditee qualified as low-risk auditee?	<u> x </u> yes	<u> </u> no
--	--------------------------	----------------------

II. Findings - Financial Statement Audit

None

III. Findings and Questioned Costs - Major Federal Award Programs Audit

None

State Single Audit

**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

Opinion on Each Major State Program

We have audited the Town of East Haven, Connecticut's ("Town") compliance with the types of compliance requirements identified as subject to audit 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, 2023. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town 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 state program. Our audit does not provide a legal determination of the Town's 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 Town's state 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 Town's 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 State Single Audit Act 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 Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, 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 Town's 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 Town's 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 State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town's 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 state 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 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 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 28, 2023, which contained unmodified opinions on those financial statements.

Our audit was performed 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, 2023

Town of East Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2023**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core- CT Number	Passed Through to Subrecipients	Total Expenditures
<u>Department of Education:</u>			
Parent Trust Fund	11000-SDE64370-12506	\$ -	\$ 21,336
Talent Development	11000-SDE64370-12552	-	6,000
Non Sheff Transportation	11000-SDE64370-12632	-	9,100
Family Resource Centers	11000-SDE64370-16110	-	101,725
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	15,805
Healthy Foods Initiative	11000-SDE64370-16212	-	30,048
Adult Education	11000-SDE64370-17030	-	517,016
Alliance District	11000-SDE64370-17041	-	1,105,077
Bilingual Education	11000-SDE64370-17042	-	27,876
School Breakfast	11000-SDE64370-17046	-	21,296
Open Choice	11000-SDE64370-17053	-	27,000
<u>Department of Administrative Services:</u>			
Alliance District General Improvements	12052-DAS27635-43651	-	230,503
<u>Department of Social Services:</u>			
Medicaid	11000-DSS60000-16020	-	215,750
<u>Department of Transportation:</u>			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	195,519
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	-	195,519
<u>Office of Early Childhood:</u>			
Early Child Care Provider Stabilization Payment	11000-OEC64806-12639	-	103,140
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,881
Early Care and Education	11000-OEC64845-16274	-	673,651
Smart Start	11000-OEC64845-16279	-	150,000
<u>Department of Children and Families:</u>			
Youth Services Bureau	11000-DCF91141-17052	-	20,442
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	4,093
<u>Department of Energy and Environmental Protection:</u>			
Passed through Shoreline Greenway Trails:			
CT Bikeway, Pedestrian, Recreational Rail and Greenway Program	12052-DEP43000-43314	-	463,252
<u>Office of Policy and Management:</u>			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	4,405
Property Tax Relief for Veterans	11000-OPM20600-17024	-	42,130
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	-	363,997
Municipal Revenue Sharing	12060-OPM20600-35458	-	567,362
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	-	98,360
Local Capital Improvement Program	12050-OPM20600-40254	-	513,049
Municipal Grants-in-Aid	12052-OPM20600-43587	-	43,500
<u>Connecticut State Library:</u>			
State Grants to Public Libraries	11000-CSL66051-17003	-	1,564
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
Public Library Repairs	12052-CSL66051-43648	-	159,375
Total State Financial Assistance before Exempt Programs			5,939,271

(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, 2023**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core- CT Number	Passed Through to Subrecipients	Total Expenditures
Exempt Programs:			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041	\$ -	\$ 18,776,951
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	1,555,877
<u>Office of Policy and Management:</u>			
Municipal Stabilization Grant	11000-OPM20600-17104	-	172,586
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	82,006
Total Exempt Programs			20,587,420
Total State Financial Assistance		\$ -	\$ 26,526,691

(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, 2023

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, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u> x </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> x </u> no	

State Financial Assistance

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

Type of auditors' report issued on compliance for major programs:	<u>Unmodified opinion</u>
---	---------------------------

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	_____ yes	<u> x </u> 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:		
Family Resource Centers	11000-SDE64370-16110	\$ 101,725
Alliance District	11000-SDE64370-17041	1,105,077
Department of Administrative Services:		
Alliance District General Improvements	12052-DAS27635-43651	230,503
Department of Social Services:		
Medicaid	11000-DSS60000-16020	215,750
Department of Energy and Environmental Protection:		
CT Bikeway, Pedestrian, Recreational Rail and Greenway Program	12052-DEP43000-43314	463,252
Office of Policy and Management:		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	363,997
Municipal Revenue Sharing	12060-OPM20600-35458	567,362
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	98,360
Local Capital Improvement Program	12050-OPM20600-40254	513,049
Connecticut State Library:		
Public Library Repairs	12052-CSL66051-43648	159,375

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 200,000</u>
--	-------------------

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None