

TOWN OF EAST WINDSOR, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDITS**

FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF EAST WINDSOR, CONNECTICUT
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INTERNAL CONTROL AND COMPLIANCE REPORT

**INDEPENDENT AUDITOR'S 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***

To the Board of Finance
Town of East Windsor, 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 Windsor, Connecticut (the Town), as of and for the year ended June 30, 2022, 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 22, 2022.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedules of federal and state findings and questioned costs as item 2022-001 that we consider to be a material weaknesses.

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*.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedules of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

FEDERAL SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Finance
Town of East Windsor, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of East Windsor, Connecticut’s (the 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 Town’s major federal programs for the year ended June 30, 2022. The Town’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, the Town of East Windsor, Connecticut, 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, 2022.

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; 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 Auditor’s 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.

Auditor's 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 22, 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 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grantor; Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed through the Connecticut Department of Education:			
National School Lunch - Commodities	-	10.555	\$ 33,413
National School Lunch - 2021	12060-SDE64370-20560	10.555	73,535
National School Lunch - 2022	12060-SDE64370-20560	10.555	458,163
School Breakfast Program - 2021	12060-SDE64370-20508	10.553	13,830
School Breakfast Program - 2022	12060-SDE64370-20508	10.553	85,452
National School Lunch Emergency Operating Costs Reimbursement	12060-SDE64370-23085	10.555	13,451
Total Child Nutrition Cluster			<u>677,844</u>
Passed through the Connecticut Department of Education:			
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	12060-SDE64370-29802	10.649	1,842
Total U.S. Department of Agriculture			<u>679,686</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Connecticut Department of Housing:			
Community Development Block Grants	12060-DOH46920-20730	14.228	564,391
U.S. DEPARTMENT OF JUSTICE			
Direct:			
Public Safety Partnership and Community Policing Grants	-	16.710	25,154
Passed through the Connecticut Office of Policy & Management:			
Justice Assistance Program	12060-OPM20350-21921	16.738	2,190
Total U.S. Department of Justice			<u>27,344</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Connecticut Department of Transportation:			
Alcohol Open Container Requirements	12062-DOT57513-22091	20.607	8,362
U.S. DEPARTMENT OF TREASURY			
Passed through the Connecticut Office of Policy & Management:			
Coronavirus Relief Fund	12060-OPM20600-29561	21.019	31,892
Coronavirus State and Local Fiscal Recovery Funds	12060-OPM20600-29669	21.027	1,119,804
Total U.S. Department of Treasury			<u>1,151,696</u>
U.S. DEPARTMENT OF EDUCATION			
Direct:			
Title III Part A Programs - Strengthening Institutions	-	84.031	9,629
Special Education Cluster:			
Passed through the Connecticut Department of Education:			
Special Education Grants to States - 2020	12060-SDE64370-20977	84.027	20,000
Special Education Grants to States - 2021	12060-SDE64370-20977	84.027	259,621
Special Education Grants to States - 2022	12060-SDE64370-20977	84.027	100,580
Special Education Preschool Grants	12060-SDE64370-20983	84.173	10,295
Total Special Education Cluster			<u>390,496</u>
Passed through the Connecticut Department of Education:			
Title I Grants to Local Educational Agencies - 2021	12060-SDE64370-20679	84.010	261,347
Title I Grants to Local Educational Agencies - 2022	12060-SDE64370-20679	84.010	194,128
			455,475
Career and Technical Education	12060-SDE64370-20742	84.048	28,084
Supporting Effective Instruction State Grants - 2021	12060-SDE64370-20858	84.367	44,788
Student Support and Academic Enrichment Program - 2021	12060-SDE64370-22854	84.424	7,418
			<i>(Continued)</i>

The accompanying notes are an integral part of this schedule.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*(Continued)*
FOR THE YEAR ENDED JUNE 30, 2022

Grantor; Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF EDUCATION <i>(Continued)</i>			
Passed through the Connecticut Department of Education:			
Education Stabilization Fund:			
Elementary & Secondary School Emergency Relief Fund - I FAFSA Challenge	12060-SDE64370-29571-82079	84.425D	\$ 5,000
Elementary & Secondary School Emergency Relief Fund - II FRC	12060-SDE64370-29571	84.425D	25,000
Elementary & Secondary School Emergency Relief Fund - I 2020	12060-SDE64370-29571	84.425D	160,783
Elementary & Secondary School Emergency Relief Fund - II 2021	12060-SDE64370-29571	84.425D	401,687
Elementary & Secondary School Emergency Relief Fund - ARP 2021	12060-SDE64370-29636	84.425U	511,584
Elementary & Secondary School Emergency Relief Fund - I Homeless Children and Youth	12060-SDE64370-29650	84.425W	7,047
			<u>1,111,101</u>
Total U.S. Department of Education			<u>2,046,991</u>
Child Care and Development Block Grant Cluster:			
Passed through the Connecticut Office of Early Childhood:			
Child Care and Development Fund	12060-OEC64845-29628	93.575	27,000
Passed through EdAdvance:			
Child Care and Development Fund	-	93.575	49,023
Total Child Care and Development Block Grant Cluster			<u>76,023</u>
Total U.S. Department of Health and Human Services			<u>76,023</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the Connecticut Department of Emergency Services and Public Protection:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	12060-DPS32990-21891	97.036	38,321
TOTAL FEDERAL AWARDS			<u>\$ 4,592,814</u> <i>(Concluded)</i>

The accompanying notes are an integral part of this schedule.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of East Windsor, Connecticut (the Town), conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of federal awards 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).

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. 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 expenditure column of the schedule of expenditures of federal awards.

Because the schedule of expenditures of federal awards 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 balances, changes in net position or cash flows of the Town.

NOTE 2 - INDIRECT COST RATE

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Town has no federal awards for which an indirect cost rate is applicable.

NOTE 3 - SUBRECIPIENTS

The Town did not pass through any federal awards to a subrecipient organization.

NOTE 4 - OTHER FEDERAL ASSISTANCE

The United States Department of Agriculture provides commodities to the Town's schools. An amount of \$33,413 has been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of such commodities received during the year ended June 30, 2022.

The following is a summary of loan program activity for the year ended June 30, 2022:

U.S. Department of Agriculture: Rural Utilities Service Loans

<u>Issue Date</u>	<u>Original Amount</u>	<u>Balance June 30, 2021</u>	<u>Loan Proceeds</u>	<u>Loan Repayments</u>	<u>Balance June 30, 2022</u>
Fiscal 2012	\$ 2,180,000	\$ 1,872,198	\$ -	\$ 39,073	\$ 1,833,125

No other federal assistance was received in the form of loans, loan guarantees or insurance.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ✓ Yes No
None reported

Significant deficiency(ies) identified? Yes ✓ No
reported

Noncompliance material to financial statements noted? Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? Yes ✓ No
None reported

Significant deficiency(ies) identified? Yes ✓ No
reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR Section 200.516(a)? Yes ✓ No

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

CFDA Number	Name of Federal Program
84.425	Education Stabilization Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes ✓ No

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2022-001: *Material Weakness in Internal Control over Financial Reporting - Timeliness of School District Operating Account Bank Reconciliations*

Criteria: Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS *(Continued)*

Finding 2022-001: *Material Weakness in Internal Control over Financial Reporting - Timeliness of School District Operating Account Bank Reconciliations (Continued)*

Condition: Monthly bank reconciliations for the School District operating account were not performed and reconciled to the general ledger in a timely manner.

Cause: The School District transitioned its business manager services from an external consultant to a full-time internal Business Manager in April 2022. Monthly bank reconciliations for fiscal year 2022 were never completed prior to the transition. As a result, there were significant delays in completing the monthly bank reconciliations for fiscal year 2022.

Effect: Reconciling bank accounts on a monthly basis is an important control activity that allows for the detection of errors and/or fraud in a timely manner. In addition, bank reconciliations will identify items that do not clear the bank, which will need to be investigated and resolved.

Recommendation: We recommend that the School District perform bank reconciliations on a monthly basis. In addition, we recommend that the reconciliations are performed within MUNIS.

Views of Responsible Officials and Planned Corrective Actions: Management of the School District agrees with the finding. Bank reconciliations have been reconciled to the general ledger through June 30, 2022. In addition, Management of the School District has made significant progress in completing the monthly bank reconciliations for fiscal year 2023 and is in the process of implementing monthly closing procedures to ensure that bank reconciliations are performed on a monthly basis going forward.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings or questioned costs were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

Prior audit finding 2021-001, *Material Weakness in Internal Control over Financial Reporting - System Implementation* is no longer being reported as a material weakness in internal control over financial reporting.

Prior audit finding 2021-002, *Material Weakness in Internal Control over Financial Reporting - General Ledger Maintenance and Reconciliation Controls* is no longer being reported as a material weakness in internal control over financial reporting. However, refer to current year audit finding 2022-001 relating to bank reconciliations, which was a component of the prior year audit finding.

Prior audit finding 2021-003, *Material Weakness in Internal Control over Financial Reporting - Budgetary Monitoring* is no longer being reported as a material weakness in internal control over financial reporting.

Prior audit finding 2021-004, *Noncompliance - Federal Payroll Tax Deposits* is no longer being reported as an instance of noncompliance.

Prior audit finding 2021-005, *Significant Deficiency in Internal Control over Compliance - Grant Reporting* is no longer being reported as a significant deficiency in internal control over compliance.

STATE SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Finance
Town of East Windsor, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of East Windsor, Connecticut's (the 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, 2022. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

In our opinion, the Town of East Windsor, Connecticut, 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, 2022.

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; 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 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 Auditor's 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.

Auditor's 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 Auditor's 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 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 22, 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 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core - CT Number	Expenditures
NONEXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Open Choice	11000-SDE64370-17053-82060	\$ 589,546
Alliance District	11000-SDE64370-17041-82164	186,987
Family Resource Centers	11000-SDE64370-16110	101,650
Open Choice - Early Beginnings	11000-SDE64370-17053-82162	6,500
Open Choice - Sheff Settlement	11000-SDE64370-12457	98,300
Open Choice - Acceptance Rate	11000-SDE64370-12457	3,600
Open Choice - Educational Enhancement	11000-SDE64370-12457	3,600
Adult Education	11000-SDE64370-17030	14,616
Healthy Foods Initiative	11000-SDE64370-16212	10,662
School Breakfast	11000-SDE64370-17046	7,947
Child Nutrition State Matching Grant	11000-SDE64370-16211	4,928
Bilingual Education	11000-SDE64370-17042	1,706
Total Department of Education		<u>1,030,042</u>
OFFICE OF POLICY & MANAGEMENT		
Direct:		
Tiered Payment in Lieu of Taxes	11000-OPM20600-17111	404,639
Tiered Payment in Lieu of Taxes	12060-OPM20600-35691	143,794
		548,433
Property Tax Relief for Veterans	11000-OPM20600-17024	5,747
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	1,681
Local Capital Improvement Plan	12050-OPM20600-40254	10,260
Total Office of Policy and Management		<u>1,114,554</u>
DEPARTMENT OF TRANSPORTATION		
Direct:		
Town Aid Road Grant - Transportation Fund	12052-DOT57131-43455-34005	135,259
Town Aid Road Grant - Transportation Fund	13033-DOT57131-43459-34005	135,259
Total Department of Transportation		<u>270,518</u>
CONNECTICUT STATE LIBRARY		
Direct:		
Historic Documents Preservation Grants	12060-CSL66094-35150	5,500
OFFICE OF THE TREASURER		
Direct:		
Nitrogen Credit Exchange Program	21016-OTT14230-42407	1,794
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION		
Direct:		
Drug Asset Forfeiture	12060-DPS32155-35142	6,897
Enhanced 911 Telecomm Fund	12060-DPS32741-35190	1,538
		<u>8,435</u>

(Continued)

The accompanying notes are an integral part of this schedule.

TOWN OF EAST WINDSOR, CONNECTICUT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2022

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core - CT Number	Expenditures
NONEXEMPT PROGRAMS: <i>(Continued)</i>		
DEPARTMENT OF CHILDREN AND FAMILIES		
Direct:		
Youth Service Bureaus	11000-DCF91141-17052	\$ 771
Youth Service Bureau Enhancement	11000-DCF91141-17107	722
Total Department of Children and Families		<u>1,493</u>
Total State Financial Assistance Before Exempt Programs		<u>2,432,336</u>
EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Education Cost Sharing	11000-SDE64370-17041-82010	5,468,005
Excess Costs Student Based and Equity	11000-SDE64370-17047	70,848
Total Department of Education		<u>5,538,853</u>
OFFICE OF POLICY AND MANAGEMENT		
Direct:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	15,432
Total Exempt Programs		<u>5,554,285</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 7,986,621</u> <i>(Concluded)</i>

The accompanying notes are an integral part of this schedule.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of East Windsor, Connecticut (the Town), under programs of the State of Connecticut for the fiscal year ended June 30, 2022. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements. 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 expenditure column of the schedule of expenditures of state financial assistance.

Because the schedule of expenditures of state financial assistance 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 balances, changes in net position or cash flows of the Town.

NOTE 2 - SUBRECIPIENTS

The Town did not pass through any state financial assistance to a subrecipient organization.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ No

Significant deficiency(ies) identified? _____ Yes _____ None Reported

Significant deficiency(ies) identified? _____ Yes _____ Reported

Noncompliance material to financial statements noted? _____ Yes _____ No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

Material weakness(es) identified? _____ Yes _____ No

Significant deficiency(ies) identified? _____ Yes _____ None Reported

Type of auditor's report 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 to the State Single Audit Act? _____ Yes _____ No

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

<u>State Grantor/Program</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
DEPARTMENT OF EDUCATION		
Open Choice	11000-SDE64370-17053	\$ 589,546
OFFICE OF POLICY & MANAGEMENT		
Tiered Payment in Lieu of Taxes	11000-OPM20600-17111	404,639
Tiered Payment in Lieu of Taxes	12060-OPM20600-35691	143,794

Dollar threshold used to distinguish between Type A and Type B programs: \$200,000

SECTION II - FINANCIAL STATEMENT FINDINGS

Refer to findings 2022-001 reported in the accompanying schedule of federal findings and questioned costs.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No state financial assistance findings or questioned costs were reported.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Prior audit finding 2021-001, *Material Weakness in Internal Control over Financial Reporting - System Implementation* is no longer being reported as a material weakness in internal control over financial reporting.

Prior audit finding 2021-002, *Material Weakness in Internal Control over Financial Reporting - General Ledger Maintenance and Reconciliation Controls* is no longer being reported as a material weakness in internal control over financial reporting. However, refer to current year audit finding 2022-001 relating to bank reconciliations, which was a component of the prior year audit finding.

Prior audit finding 2021-003, *Material Weakness in Internal Control over Financial Reporting - Budgetary Monitoring* is no longer being reported as a material weakness in internal control over financial reporting.

Prior audit finding 2021-004, *Noncompliance - Federal Payroll Tax Deposits* is no longer being reported as an instance of noncompliance.

Prior audit finding 2021-005, *Significant Deficiency in Internal Control over Compliance - Grant Reporting* is no longer being reported as a significant deficiency in internal control over compliance.