

**TOWN OF ELLINGTON, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**TOWN OF ELLINGTON, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021
TABLE OF CONTENTS**

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1-3
Schedule of Expenditures of Federal Awards	4
Notes to Schedule of Expenditures of Federal Awards	5
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Schedule of Findings and Questioned Costs	8-9



Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the Board of Finance
Town of Ellington, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Ellington, Connecticut's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of Ellington, Connecticut's major federal programs for the year ended June 30, 2021. The Town of Ellington, Connecticut's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Ellington, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Ellington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Ellington, Connecticut's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Town of Ellington, Connecticut, 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 of Ellington, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut'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 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 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

The Town of Ellington, Connecticut's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Ellington, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements. We issued our report thereon dated December 3, 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 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 64,706
National School Lunch Program	10.555	12060-SDE64370-20560	523,394
COVID-19 National School Lunch Program - CARES	10.555	12060-SDE64370-29572	32,121
COVID-19 School Breakfast Program - CARES	10.555	12060-SDE64370-29576	11,000
School Breakfast Program	10.553	12060-SDE64370-20508	<u>90,788</u>
			\$ <u>722,009</u>
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	12062-DOT57931-21361	50,400
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	<u>7,872</u>
Total United States Department of Transportation			<u>58,272</u>
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027	12060-SDE64370-20977-2021	410,114
Special Education_Grants to States	84.027	12060-SDE64370-20977-2020	26,729
COVID-19 - Special Education_Grants to States	84.027	12060-SDE64370-20977	4,251
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2021	6,355
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	<u>3,351</u>
			450,800
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	50,343
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	<u>1,493</u>
			51,836
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2021	12,473
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	<u>4,845</u>
			17,318
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2021	27,555
Title IV - Student Support	84.424	12060-SDE64370-22854-2020	6,788
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465	10,794
COVID 19 - ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2021	111,521
COVID 19 - ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2020	<u>51,396</u>
			162,917
Total United States Department of Education			<u>728,008</u>
United States Department of the Treasury			
<i>Passed Through the State of Connecticut Department of Education:</i>			
COVID 19 - Coronavirus Relief Fund	21.019	12060-SDE64370-29561-2020	140,000
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
COVID 19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	12,268
COFID 19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	<u>126,835</u>
			139,103
Total United States Department of the Treasury			<u>279,103</u>
United States Department of Health and Human Services			
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>			
Aging Cluster:			
COVID-19 - Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers - CARES	93.044	12060-SDR63901-29556	<u>6,474</u>
Total Federal Awards			<u>\$ 1,793,866</u>

The accompanying notes are an integral part of this schedule

**TOWN OF ELLINGTON, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Ellington, Connecticut, under programs of the federal government for the year ended June 30, 2021. The information in the 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 of Ellington, Connecticut, 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 of Ellington, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The Town of Ellington, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

3. NONCASH AWARDS

Donated commodities in the amount of \$64,706 are included in the Department of Agriculture's National School Lunch Program, ALN #10.555. The amount represents the market value of commodities received.



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the Board of Finance
Town of Ellington, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ellington, Connecticut'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 of Ellington, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ellington, Connecticut'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 of Ellington, Connecticut's Response to Findings

The Town of Ellington, Connecticut's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Ellington, Connecticut's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 of Ellington, Connecticut'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 of Ellington, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? X yes none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes yes

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? X yes no

Major programs:

ALN #	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes X no

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Prior Period Adjustment - Unbilled receivables

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Criteria

The Town must prepare its financial statements in accordance with generally accepted accounting principles.

Condition

Unbilled receivables were not recorded in the Town's enterprise funds.

Questioned Costs

None noted.

Context

Unbilled receivables of \$634,501 were not recorded.

Effect

The financial statements are not presented in accordance with generally accepted accounting principles.

Cause

Unknown.

Recommendation

We recommend that the Town strengthen its accounting procedures and controls to ensure that this accrual is made when appropriate.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**Finding No. 2021-002**

Procurement and Suspension and Debarment

Program

All Federal Programs

Pass-Through Agency

State of Connecticut Department of Education

Type of Finding

Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement

The Town must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within Uniform Guidance.

Condition

The Town's procurement standards did not include the essential elements as outlined in 2 CFR sections 200.318 through 200.326.

Questioned Costs

None noted.

Context

Although the BOE did not have a policy in place in conformity with the federal uniform guidance criteria, the BOE did follow their own policy and was in compliance with the Town's major program.

Effect

With the absence of a compliant policy, the Town is at risk for noncompliance as it relates to federal procurement.

Cause

Unknown.

Recommendation

We recommend that the Town review its formal procurement policies and make necessary changes to comply with the criteria as set out in 2 CFR sections 200.318 and 200.326.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

