

TOWN OF WEST HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2021



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**TOWN OF WEST HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2021
TABLE OF CONTENTS**

Independent Auditors' 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	1-3
Schedule of Expenditures of State Financial Assistance	4-5
Notes to Schedule of Expenditures of State Financial Assistance	6
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>	7-8
Schedule of Findings and Questioned Costs	9-10



Independent Auditors' 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

Town Council
Town of West Hartford, Connecticut

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of West Hartford, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of West Hartford, 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 state program. However, our audit does not provide a legal determination of the Town of West Hartford, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the Town of West Hartford, 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, 2021.

Report on Internal Control over Compliance

Management of the Town of West Hartford, 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 West Hartford, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, 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 West Hartford, Connecticut's basic financial statements. We issued our report thereon dated January 24, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 24, 2022

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Sheff Settlement	11000-SDE64370-12457	\$ 249,710
Commissioner's Network	11000-SDE64405-12547	141,248
Talent Development	11000-SDE64370-12552	11,829
Child Nutrition State Match	11000-SDE64370-16211	31,483
Health Foods Initiative	11000-SDE64370-16212	61,077
Adult Education	11000-SDE64370-17030	61,543
Hlth & Welfare-Priv Schl Pupil	11000-SDE64370-17034	720,874
Bilingual Education	11000-SDE64370-17042	2,893
School Breakfast Program	11000-SDE64370-17046	43,450
Open Choice Program	11000-SDE64370-17053	<u>1,059,105</u>
Total Department of Education		<u>2,383,212</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	<u>20,590</u>
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	7,500
Connecticard Payments	11000-CSL66051-17010	<u>6,256</u>
Total Connecticut State Library		<u>13,756</u>
Department of Energy and Environmental Protection		
Community Conservation & Development	13019-DEP43153-41239	<u>22,509</u>
Department of Transportation		
Town Aid Road-STO	13033-DOT57131-43459	343,635
LET'S GO CT RAMP-UP PROGRAM	13033-DOT57191-43667	42,739
Town Aid Road Grants-Municipal	12052-DOT57131-43455	343,635
Local Bridge Program	13033-DOT57191-43456	<u>383,253</u>
Total Department of Transportation		<u>1,113,262</u>
Department of Emergency Services and Public Protection		
Drug Asset Forfeit Rv Acct DPS	12060-DPS32155-35142	42,756
Enhanced 911 Telecomm Fund	12060-DPS32741-35190	<u>146,160</u>
Total Department of Emergency Services and Public Protection		<u>188,916</u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Veterans' Affairs		
Headstones	11000-DVA21134-16049	\$ <u>900</u>
Office of Early Childhood		
Competitive District Grant	12060-OEC64845-35475	88,000
Child Care Quality Enhancement	11000-OEC64845-16158	3,436
Early Care and Education	11000-OEC64845-16274	276,316
Smart Start	11000-OEC64845-16279	<u>230,100</u>
Total Office of Early Childhood		<u>597,852</u>
Office of Policy and Management		
Reimbrs Twns-Tx Los On St Prop	11000-OPM20600-17004	16,127
Reimb Twns-Priv Tax-Exmpt Prop	11000-OPM20600-17006	883,308
Reimbrs Prop Tx-Disabil Exmptn	11000-OPM20600-17011	5,042
Prop Tax Relief For Veterans	11000-OPM20600-17024	44,268
Local Capital Improvement	12050-OPM20600-40254	431,166
Municipal Grants-In-Aid	12052-OPM20600-43587	<u>805,784</u>
Total Office of Policy and Management		<u>2,185,695</u>
Total State Financial Assistance Before Exempt Programs		<u>6,526,692</u>
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	21,911,520
Excess Cost - Student Based	11000-SDE64370-17047	<u>4,415,280</u>
Total Department of Education		<u>26,326,800</u>
Office of Policy and Management		
Grants To Towns	12009-OPM20600-17005	<u>27,820</u>
Total Exempt Programs		<u>26,354,620</u>
Total State Financial Assistance		<u>\$ <u>32,881,312</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of West Hartford, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2021. 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. Because the Schedule presents only a selected portion of the operations of the Town of West Hartford, 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 West Hartford, Connecticut.

Basis of Accounting

The accounting policies of the Town of West Hartford, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented 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.



**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***

Town Council
Town of West Hartford, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, 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 West Hartford, Connecticut's basic financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of West Hartford, 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 West Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, 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. 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 material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of West Hartford, 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*.

Town of West Hartford, Connecticut's Response to Findings

Town of West Hartford, Connecticut's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of West Hartford, 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 West Hartford, 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 West Hartford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 24, 2022

**TOWN OF WEST HARTFORD, 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? X yes no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' 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? X yes no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Open Choice Program	11000-SDE64370-17053	\$ 1,059,105
Department of Transportation:		
Local Bridge Program Transportation Fund	13033-DOT57191-43456	383,253
Office of Early Childhood:		
Early Care and Education	11000-OEC64845-16274	276,316
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	883,308
Municipal Grants-In-Aid	12052-OPM20600-43587	805,784
Dollar threshold used to distinguish between type A and type B programs:		\$ 200,000

II. FINANCIAL STATEMENT FINDINGS

2021-001

School Construction Grants Receivable

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement

Generally accepted accounting principles (GAAP) requires that revenue be recognized when it is both measurable and available.

Condition

A material audit adjustment was required in the capital projects fund to reclassify revenue for a grant receivable that was not available within the period of availability.

Context

A material audit adjustment was proposed based on the results of audit procedures performed.

Effect

The financial statements would not be materially correct without the audit adjustment.

Cause

In previous years, the Town had School Construction projects which were partially funded with a grant from the State of Connecticut. The State paid the Town on a monthly basis during the project but held back a small percentage of the grant until they could complete a final project audit. Upon completion of these projects the Town recorded a receivable for the percentage of the grant held back. Due to staffing shortages at the State, they have not yet audited these projects and budget cuts at the State has not allowed them to contract with CPA firms to perform these audits.

Recommendation

We recommend that the Town continue to record grant revenue only when measurable and available.

Views of Responsible Officials

The Town believes the recording of the receivable and related revenue recognition was appropriate at the time the reimbursement request was submitted given the facts at the time. The understanding was that the funds would be received from the State of Connecticut promptly upon conclusion and audit by the State of the projects. The State of Connecticut has continued to delay concluding on the projects despite the requests and actions by the Town of West Hartford.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

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