

**Federal Single Audit
and
State Single Audit**

of the

Town of East Haven, Connecticut

For the Year Ended June 30, 2024

Town of East Haven, Connecticut

For the Year Ended June 30, 2024

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 6, 2025.

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.

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

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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
February 6, 2025

**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, 2024. 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, 2024.

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.

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

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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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

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

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

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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 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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated February 6, 2025, 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
February 6, 2025

Town of East Haven, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<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>
<u>U.S. Department of Agriculture:</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 402,085
National School Lunch Program - Cash	10.555	State Department of Education	12060-SDE64370-20560	-	1,080,247
National School Lunch Program - Commodities	10.555	State Department of Administrative Services	N/A	-	83,081
Summer Food Service Program for Children - Operating	10.559	State Department of Education	12060-SDE64370-20540	-	101,932
Summer Food Service Program for Children - Administration	10.559	State Department of Education	12060-SDE64370-20548	-	8,556
Fresh Fruit and Vegetable Program - Cash	10.582	State Department of Education	12060-SDE64370-22051	-	367,962
Fresh Fruit and Vegetable Program - Commodities	10.582	State Department of Administrative Services	N/A	-	130,848
Total Child Nutrition Cluster					\$ 2,174,711
COVID-19 State Administrative Expenses for Child Nutrition	10.560	State Department of Education	12060-SDE64370-23126	-	71,269
COVID-19 Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs	10.649	State Department of Education	12060-SDE64370-29802	-	5,224
Total U.S. Department of Agriculture					<u>2,251,204</u>
<u>U.S. Department of Justice:</u>					
Equitable Sharing Program	16.922	Direct Program	N/A	-	<u>25,926</u>
<u>U.S. Department of Transportation:</u>					
Highway Planning and Construction	20.205	State Department of Transportation	12062-DOT57191-22108	-	<u>132,833</u>
<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	-	630,003
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan					
- School Readiness - Competitive Enrollment-based		State Office of Early Childhood	12060-OEC64845-28227	-	143,280
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan					
- FAFSA Completion		State Department of Education	12060-SDE64370-28092	-	5,720
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan					
- School Mental Health Workers		State Department of Education	12060-SDE64370-28094	-	59,009
Coronavirus State and Local Fiscal Recovery Funds - Right to Read		State Department of Education	12060-SDE64370-29732	-	13,155
Coronavirus State and Local Fiscal Recovery Funds - Senior Centers		State Department of Aging and Disability Services	12060-SDR63901-28009	-	<u>7,929</u>
Total U.S. Department of the Treasury	21.027				<u>859,096</u>
<u>U.S. Endowment for the Arts</u>					
Promotion of the Arts Partnership Agreements	40.025	Department of Economic and Community Development	1260-ECD46820-20328	-	<u>1,136</u>
<u>The Institute of Museum and Library Services:</u>					
Grants to States	45.310	Connecticut State Library	N/A	-	<u>905</u>
<u>U.S. Department of Education:</u>					
Adult Education - Basic Grants to States	84.002	State Department of Education	12060-SDE64370-20784-2024	-	<u>54,504</u>
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2023	-	<u>470,474</u>
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2024	-	<u>606,831</u>
Total Title I Grants to Local Educational Agencies	84.010				<u>1,077,305</u>

(Continued)

Town of East Haven, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

<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 Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2023	\$ -	\$ 335,230
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2024	-	530,682
Special Education - Grants to States (IDEA, Part B) - CT SEDS Implementation Stipend		State Department of Education	12060-SDE64370-20977-2023	-	450
Special Education - Grants to States (IDEA, Part B) - Transition Support Activities (TSA)		State Department of Education	12060-SDE64370-20977-2024	-	15,000
Special Education - Grants to States (IDEA, Part B) - Extended Support Para-Educator (ESP)		State Department of Education	12060-SDE64370-20977-2024	-	5,000
Total Special Education - Grants to States (IDEA, Part B)	84.027				<u>886,362</u>
Special Education - Preschool Grants (IDEA, Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2023	-	36,535
Total Special Education Cluster (IDEA)					\$ 922,897
Career and Technical Education - Basic Grants to States (Perkins IV)		State Department of Education	12060-SDE64370-20742-2022	-	96,557
Career and Technical Education - Basic Grants to States (Perkins IV)		State Department of Education	12060-SDE64370-20742-2023	-	92,526
Career and Technical Education - Basic Grants to States (Perkins IV)		State Department of Education	12060-SDE64370-20742-2024	-	55,387
Total Career and Technical Education - Basic Grants to States (Perkins IV)	84.048				<u>244,470</u>
English Language Acquisition State Grants (Title III Part A)		State Department of Education	12060-SDE64370-20868-2023	-	23,031
English Language Acquisition State Grants (Title III Part A)		State Department of Education	12060-SDE64370-20868-2024	-	30,222
Total English Language Acquisition State Grants (Title III Part A)	84.365				53,253
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2023	-	12,424
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2024	-	70,513
Total Supporting Effective Instruction State Grants	84.367				<u>82,937</u>
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2023	-	31,710
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2024	-	33,410
Total Student Support and Academic Enrichment Program (Title IV)	84.424				65,120
Education Stabilization Fund (ESF):					
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	U	State Department of Education	12060-SDE64370-29636-2021	-	1,689,829
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Dual Credit Expansion	U	State Department of Education	12060-SDE64370-29636-2021	-	23,994
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (HCY) II	W	State Department of Education	12060-SDE64370-29650-2021	-	10,248
Total Education Stabilization Fund (ESF)	84.425				<u>1,724,071</u>
Total U.S. Department of Education					<u>4,224,557</u>
<u>U.S. Department of Health and Human Services:</u>					
CCDF Cluster:					
COVID-19 Child Care and Development Block Grant	93.575	State Office of Early Childhood	12060-OEC64806-29646	-	<u>20,469</u>
<u>U.S. Department of Homeland Security:</u>					
Emergency Management Performance Grants		State Department of Emergency Services and Public Protection	12060-DPS32160-21881	-	6,875
Emergency Management Performance Grants		State Department of Emergency Services and Public Protection	12060-DPS32981-22233	-	5,000
Total U.S. Department of Homeland Security	97.042				<u>11,875</u>
Total Federal Awards				\$ -	<u>\$ 7,528,001</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, 2024

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 the following noncash awards:

USDA donated commodities:

National School Lunch Program	\$ 83,081
Fresh Fruit and Vegetable Program	130,848

4. 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, 2024**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ yes x no
none

Significant deficiency(ies) identified? _____ yes x reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes x no
none

Significant deficiency(ies) identified? _____ yes x 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)? x yes _____ no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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: \$ 750,000

Auditee qualified as low-risk auditee? x yes _____ no

II. Findings - Financial Statement Audit

None

Town of East Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

III. Findings – Major Federal Award Programs

Finding 2024-001 Coronavirus State and Local Fiscal Recovery Funds (Compliance) – 2024

Program

Federal Agency	U.S. Department of the Treasury
Federal Program	Coronavirus State and Local Fiscal Recovery Funds
AL Number	21.027

Criteria

The Town is required to complete the project and expenditure report annually for obligations and expenditures. The report is required to include current period obligations, cumulative obligations, current period expenditures and cumulative expenditures.

Condition

Although the total cumulative expenditures reported agreed to the Town records, we noted that the current period expenditures amount reported by the Town did not agree to the general ledger activity due to certain expenditures totaling approximately \$183,000 for the period that were not included.

Questioned costs

None noted.

Context

Not applicable.

Effect

The Town was not in compliance with the reporting requirements.

Cause

Unknown.

Recommendation

We recommend the Town implement procedures to review the project and expenditure report prepared by the 3rd party consultant prior to submission to ensure reporting is properly reconciled to the general ledger expenditures in accordance with the grant requirements.

Views of responsible official and planned corrective actions

Management agrees with this finding. The Town will implement procedures to ensure reports are based upon the Town's general ledger and properly reconciled and in compliance with U.S. Treasury guidelines.

**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, 2024. 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, 2024.

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.

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

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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.

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

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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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated February 6, 2025, 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
February 6, 2025

Town of East Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2024**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core- CT Number	Passed Through to Subrecipients	Total Expenditures
<u>Department of Education:</u>			
Talent Development	11000-SDE64370-12552	\$ -	\$ 7,146
Magnet Schools	11000-SDE64370-12632	-	7,800
Family Resource Centers	11000-SDE64370-16110	-	112,629
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	15,768
Healthy Foods Initiative	11000-SDE64370-16212	-	29,704
Adult Education	11000-SDE64370-17030	-	635,956
Alliance District	11000-SDE64370-17041	-	1,112,840
Bilingual Education	11000-SDE64370-17042	-	32,782
School Breakfast	11000-SDE64370-17046	-	21,218
Open Choice	11000-SDE64370-17053	-	21,000
<u>Department of Social Services:</u>			
Medicaid	11000-DSS60000-16020	-	120,588
<u>Department of Transportation:</u>			
Town Aid Road Grants Transportation Fund	12001-DOT57131-17036	-	390,355
<u>Department of Emergency Services and Public Protection:</u>			
Telecommunications Fund	12060-DPS32741-35190	-	4,282
<u>Office of Early Childhood:</u>			
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,881
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274-83004	-	54,531
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274-83013	-	1,218,126
Smart Start	11000-OEC64845-16279	-	150,000
<u>Department of Children and Families:</u>			
Youth Services Bureau	11000-DCF91185-17052	-	20,443
Youth Services Bureau Enhancement	11000-DCF91185-17107	-	10,755
Community Based Prevention Programs	16092-DCF91185-16092	-	6,917
<u>Secretary of State</u>			
Early Voting	11000-SOS12500-12651	-	10,500
<u>Department of Energy and Environmental Protection:</u>			
Passed through Shoreline Greenway Trails:			
CT Bikeway, Pedestrian, Recreational Rail and Greenway Program	12052-DEP43000-43314	-	250,658
<u>Department of Economic and Community Development</u>			
Arts Commission	12069-ECD46820-16258	-	1,364
<u>Office of Policy and Management:</u>			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	4,908
Property Tax Relief for Veterans	11000-OPM20600-17024	-	38,510
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	-	462,357
Property Tax Relief for Elderly Homeowners - Freeze program	11000-OPM20600-17021	-	1,166
Local Capital Improvement Program	12050-OPM20600-40254	-	229,140
Municipal Grants-in-Aid	12052-OPM20600-43587	-	43,500
<u>Office of the State Comptroller:</u>			
Paraeducator Deductible Assistance Program	11000-OSC15301-10020	-	6,206
<u>Connecticut State Library:</u>			
SB2 Public Library Incentive Grant	11000-CSL66051-10020	-	1,442
State Grants to Public Libraries	11000-CSL66051-17003	-	1,256
Historic Documents Preservation Grants	12060-CSL66094-35150	-	8,000
Total State Financial Assistance before Exempt Programs			5,035,728

(Continued)

Town of East Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2024**

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	\$ -	\$ 18,809,604
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	2,344,448
<u>Office of Policy and Management:</u>			
Mashantucket Pequot/Mohegan Fund Grant	12009-OPM20600-17005	-	80,006
Municipal Revenue Sharing	12060-OPM20600-35458	-	705,292
Total Exempt Programs			<u>21,939,350</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 26,975,078</u>
(Concluded)			

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of East Haven, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2024

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, 2024

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?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x no none
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x no

State Financial Assistance

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x no none
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x 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?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> x no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
Alliance District	11000-SDE64370-17041	\$ 1,112,840
Office of Early Childhood:		
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274-83013	1,218,126
Office of Policy and Management:		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	462,357
Dollar threshold used to distinguish between type A and type B programs:		\$ 200,000

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None