

TOWN OF SOUTHLINGTON, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2022



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

Board of Finance
Town of Southington, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Southington, Connecticut's 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 of Southington, Connecticut's major state programs for the year ended June 30, 2022. The Town of Southington, Connecticut'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 of Southington, 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 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 (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 of Southington, Connecticut 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 of Southington, Connecticut'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 of Southington, Connecticut's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Southington, Connecticut'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 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 of Southington, Connecticut'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 of Southington, Connecticut'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 of Southington, Connecticut'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 of Southington, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on 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, each major fund, and the aggregate remaining fund information of the Town of Southington, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Southington, Connecticut's basic financial statements, and have issued our report thereon dated February 23, 2023, 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 basic 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

West Hartford, Connecticut
February 23, 2023

**TOWN OF SOUTHINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
Sheff Settlement	11000-SDE64370-12457		\$ 106,188
Talent Development	11000-SDE64370-12552		11,340
Child Nutrition State Match	11000-SDE64370-16211		28,646
Health Foods Initiative	11000-SDE64370-16212		35,947
Vocational Agriculture	11000-SDE64370-17017		1,026,955
Adult Education	11000-SDE64370-17030		20,320
Health & Welfare Private School Pupils	11000-SDE64370-17034		23,497
School Breakfast Program	11000-SDE64370-17046		29,138
Open Choice Program	11000-SDE64370-17053-82060		\$ 132,658
Open Choice Program	11000-SDE64370-17053-82162		6,500
			<u>139,158</u>
Total Department of Education		\$ -	<u>1,421,189</u>
Department of Social Services			
Medicaid	11000-DSS60000-16020		<u>64,277</u>
Total Department of Social Services		-	<u>64,277</u>
Connecticut State Library			
Connecticard Payments	11000-CSL66051-17010		2,942
Historic Document Preservation	12060-CSL66094-35150		<u>7,500</u>
Total Connecticut State Library		-	<u>10,442</u>
Department of Children and Families			
Youth Service Bureaus	11000-DCF91141-17052		24,163
Youth Service Bureau Enhancement	11000-DCF91141-17107		<u>13,126</u>
Total Department of Children and Families		-	<u>37,289</u>
Department of Energy and Environmental Protection			
Clean Water Revenue Bonds	21014-DEP43720-40001		270,751
Clean Water Revenue Bonds	21015-DEP43720-42318		670,338
Total Clean Water Revenue Bonds			<u>941,089</u>
Total Department of Energy and Environmental Protection		-	<u>941,089</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Transportation			
Bus Operations	12001-DOT57931-12175		\$ 98,134
Small Town Economic Assistance Program Grant	12052-DOT57191-40530		125,000
Town Aid Road Grants-Municipal	12052-DOT57131-43455	\$ 296,241	
Town Aid Road-STO	13033-DOT57131-43459	<u>296,241</u>	<u>592,482</u>
Total Department of Transportation		\$ -	<u>815,616</u>
Department of Emergency Services and Public Protection			
Fire School Train & Ed Extension	12060-DPS32251-35180		1,230
Enhanced 911 Telecomm Fund	12060-DPS32741-35190		<u>100,421</u>
Total Department of Emergency Services and Public Protection		-	<u>101,651</u>
Economic and Community Development			
Brownfield Remediation and Development	12060-ECD46200-35533		367,533
Urban Action Grant-OPM	13019-ECD46560-41240		<u>24,298</u>
Total Economic and Community Development		-	<u>391,831</u>
Office of Early Childhood			
Early Care and Education	11000-OEC64841-16274	<u>420,405</u>	<u>420,405</u>
Total Office of Early Childhood		<u>420,405</u>	<u>420,405</u>
Office of Policy and Management			
Reimbursement Property Tax Disability Exemption	11000-OPM20600-17011		4,529
Distressed Municipalities	11000-OPM20600-17016		38,494
Prop Tax Relief For Veterans	11000-OPM20600-17024		47,101
Tiered Payment In Lieu Of Taxes	11000-OPM20600-17111		131,617
Municipal Grants-In-Aid	12052-OPM20600-43587		1,427,348
Distressed Municipalities	12052-OPM20600-43750		32,018
MRSA-Tiered Payment In Lieu Of Taxes	12060-OPM20600-35691		46,772
Neglected Cemetery Grant	12060-OPM20600-35570		<u>3,332</u>
Total Office of Policy and Management		-	<u>1,731,211</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**TOWN OF SOUTHTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of the State Treasurer			
Nitrogen Credit Exchange Program	21016-OTT14230-42407		\$ 17,289
Total Office of the State Treasurer		\$ -	17,289
Department of Housing			
Affordable Housing Plan Technical Assistance Program	12039-DOH46900-40233	-	15,000
Total Department of Housing		-	15,000
Total State Financial Assistance Before Exempt Programs		<u>420,405</u>	<u>5,967,289</u>
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010		21,091,692
Excess Cost - Student Based	11000-SDE64370-17047	\$ 486,938	
Excess Cost - Student Based	11000-SDE64370-17047	<u>1,876,119</u>	<u>2,363,057</u>
Total Department of Education		-	<u>23,454,749</u>
Office of Policy and Management			
Grants to Towns	12009-OPM20600-17005-13045		7,160
Total Office of Policy and Management		-	7,160
Total Exempt Programs		-	<u>23,461,909</u>
Total State Financial Assistance		<u>\$ 420,405</u>	<u>\$ 29,429,198</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**TOWN OF SOUTHTON, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022**

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 Southington, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2022. 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 Southington, 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 Southington, Connecticut.

Basis of Accounting

The accounting policies of the Town of Southington, 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.

NOTE 2 LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2022:

Department of Energy and Environmental Protection

Clean Water Funds:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Ending</u>
651-DC (IFO)	N/A	N/A	N/A	\$ 10,591,878	\$ 417,492	\$ -	\$ 11,009,370
651-DC (PLO)	10/31/20	2%	\$ 21,175,000	-	-	1,100,000	20,075,000



**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***

Board of Finance
Town of Southington, Connecticut

We have audited, in accordance with 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 Southington, Connecticut, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Southington, Connecticut's basic financial statements, and have issued our report thereon dated February 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Southington, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Southington, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Southington, 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 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 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 have not been identified.

Report on Compliance and Other Matters

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

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



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 23, 2023

**TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

State Financial Assistance

1. Internal control over major programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major programs: Unmodified
3. 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 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: Vocational Agriculture	11000-SDE64370-17017	\$ 1 026,955
Department of Transportation: Town Aid Road Grants	12052-DOT57131- 43455/43459	528,109
Economic and Community Development: Brownfield Remediation and Development	12060-ECD46200-35533	367 533
Office of Policy and Management: Municipal Grants-In-Aid	12052-OPM20600-43587	1,427,348

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

**TOWN OF SOUTHTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – State Financial Assistance

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.

Town of Southington

FINANCE DEPARTMENT

JAMES BOWES, DIRECTOR
CHRISTINA SIVIGNY-SMITH
, ASS'T DIRECTOR
ANN ANOP, TREASURER



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2022

PRIOR YEAR FINDINGS FULLY CORRECTED

<u>Finding Number</u>	<u>Finding Name</u>
2021-001	School Construction Grants Receivable
2021-002	Southington Water Company Debt Service Arrangement