

**State Single Audit  
of the  
Town of Easton, Connecticut  
For the Year Ended June 30, 2022**

**Town of Easton, Connecticut**  
**For the Year Ended June 30, 2022**

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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 Easton, 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 Easton, Connecticut ("Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 27, 2023.

**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.

**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  
April 27, 2023



**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 Easton, Connecticut**

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of Easton, 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, 2022. 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, 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 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.

***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 Easton, 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated April 27, 2023, 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  
April 27, 2023

**Town of Easton, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2022**

State Grantor/Pass Through Grantor/Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Talent development	11000-SDE64370-12552	\$ -	\$ 929
Adult education	11000-SDE64370-17030	-	404
Open choice	11000-SDE64370-17053	-	80,052
Office of Policy and Management:			
Property tax relief on property of totally disabled persons	11000-OPM20600-17011	-	367
Property tax relief for veterans	11000-OPM20600-17024	-	5,047
Tiered PILOT	11000-OPM20600-17111	-	36,876
MSRA - Tiered Pilot	12060-OPM20600-35691	-	13,105
Local capital improvement program	12050-OPM20600-40254	-	21,635
Municipal grants-in-aid	12052-OPM20600-43587	-	2,660
Connecticut State Library:			
Connecticard payments	11000-CSL66051-17010	-	2,704
Historic documents preservation grants	12060-CSL66094-35150	-	5,500
Department of Transportation:			
Bus operations	12001-DOT57931-12175	-	19,995
Town aid road grants transportation fund	12052-DOT57131-43455	-	113,904
Town aid road grants transportation fund - STO	13033-DOT57131-43459	-	113,905
Local transportation capital improvement program (LOTICIP)	13033-DOT57197-43584	-	1,097,513
Department of Emergency Services and Public Protection:			
Enhanced 911 telecommunication fund	12060-DPS32700-35190	-	455
Total state financial assistance before exempt programs			<u>1,515,051</u>
<u>Exempt programs:</u>			
Department of Education:			
Education cost sharing	11000-SDE64370-17041	-	253,646
Special education - excess costs student based and equity	11000-SDE64370-17047	-	80,953
Total exempt programs			<u>334,599</u>
Total state financial assistance		<u>\$ -</u>	<u>\$ 1,849,650</u>

See Notes to Schedule of Expenditures of State Financial Assistance.



## Town of Easton, Connecticut

### Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2022

#### 1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Easton, 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, public safety, public works, health and welfare, library and education.

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 as 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.

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**Town of Easton, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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?	_____ yes	_____ x _____ 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:	<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?	_____ yes	_____ x _____ no

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

State Grantor and Program	State Core-CT Number	Expenditures
Office of Policy and Management:		
Tiered PILOT	11000-OPM20600-17111	\$ 36,876
MSRA - Tiered Pilot	12060-OPM20600-35691	13,105
Department of Transportation:		
Local transportation capital improvement program (LOTICIP)	13033-DOT57197-43584	1,097,513

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