

TOWN OF BLOOMFIELD, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2023



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TOWN OF BLOOMFIELD, CONNECTICUT
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**INDEPENDENT AUDITORS' 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**

Town Council
Town of Bloomfield, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Bloomfield, Connecticut's 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 of Bloomfield, Connecticut's major federal programs for the year ended June 30, 2023. The Town of Bloomfield, Connecticut'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 of Bloomfield, 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 federal programs for the year ended June 30, 2023.

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 of Bloomfield, 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 federal program. Our audit does not provide a legal determination of the Town of Bloomfield, 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 Bloomfield, Connecticut's federal 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 Bloomfield, 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 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 of Bloomfield, Connecticut'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 of Bloomfield, 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 Bloomfield, 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bloomfield, 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Bloomfield, Connecticut's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Town of Bloomfield, Connecticut'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.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bloomfield, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Bloomfield, Connecticut's basic financial statements. We have issued our report thereon dated June 26, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
June 26, 2024

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 75,943
National School Lunch Program	10.555	12060-SDE64370-20560	263,512
National School Lunch Program	10.555	12060-SDE64370-20560	790,399
School Breakfast Program	10.553	12060-SDE64370-20508	359,942
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	59,385
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	<u>5,960</u>
Total Child Nutrition Cluster			<u>\$ 1,555,141</u>
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126	67,283
P-EBT Local Admin	10.649	12060-SDE64370-29802	<u>4,396</u>
Total United States Department of Agriculture			<u>1,626,820</u>
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	12062-DOT57513-20559	437
National Priority Safety Programs	20.616	12062-DOT57513-22600	<u>798</u>
Total Highway Safety Cluster			<u>1,235</u>
Total United States Department of Transportation			<u>1,235</u>
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	12060-SDE64370-20977-2023	560,020
Special Education - Grants to States	84.027	12060-SDE64370-20977-2022	133,656
Special Education - Grants to States	84.027	12060-SDE64370-20977-2021	15,000
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2023	<u>15,674</u>
			<u>724,350</u>
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425u	12060-SDE64370-23083-2022	67,929
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425u	12060-SDE64370-29636-2023	1,336,298
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425u	12060-SDE64370-29636-2023	29,311
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425u	12060-SDE64370-29684-2022	10,623
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425u	12060-SDE64370-29571-2023	373,994
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425d	12060-SDE64370-29571-2023	<u>9,100</u>
			<u>1,827,255</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education (Continued):</i>			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023	\$ 442,223
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022	<u>48,086</u>
			\$ 490,309
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2023	40,656
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2023	71,756
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2023	327,557
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2022	<u>89,062</u>
			416,619
Title IV - Student Support	84.424	12060-SDE64370-22854-2023	7,743
Title IV - Student Support	84.424	12060-SDE64370-22854-2022	<u>20,784</u>
			28,527
Total United States Department of Education			<u>3,599,472</u>
United States Department of Justice			
<i>Direct:</i>			
Bulletproof Vest Partnership Program	16.607		3,838
Total United States Department of Justice			<u>3,838</u>
United States Department of the Treasury			
<i>Passed Through the State of Connecticut Department of Education:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	12060-SDE64370-28112	841,296
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	12060-SDE64370-28105	269,436
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	12060-DPS32155-28122	35,000
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	12060-OPM20600-29669	<u>4,648,000</u>
			5,793,732
Total United States Department of the Treasury			<u>5,793,732</u>
Total Expenditures of Federal Awards			<u>\$ 11,025,097</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Bloomfield, Connecticut, under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town of Bloomfield, 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 Bloomfield, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards.

NOTE 2 INDIRECT COST RECOVERY

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

NOTE 3 NONCASH AWARDS

Donated commodities in the amount of \$75,943 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Town Council
Town of Bloomfield, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bloomfield, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Bloomfield, Connecticut's basic financial statements, and have issued our report thereon dated June 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bloomfield, 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 Bloomfield, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomfield, 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of finding and questioned costs as item 2023-001 that we consider to be a material weakness.

Town Council
Town of Bloomfield, Connecticut

Report on Compliance and Other Matters

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
June 26, 2024

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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

Federal Awards

1. Internal control over major federal programs:			
• Material weakness(es) identified?	_____	yes	<input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/>	yes	_____ none reported
2. Type of auditors' report issued on compliance for federal programs:	Unmodified		
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input checked="" type="checkbox"/>	yes	_____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 – Coronavirus State & Local Fiscal Recovery Funds
84.425d/84.425u	COVID-19 – Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <input checked="" type="checkbox"/> no

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

Finding No. 2023-001

Financial Statement Close

Material Weakness in Internal Control Over Financial Reporting

Condition: Internal controls should be in place to provide reasonable assurance that the financial statements are prepared in accordance with U.S. GAAP in a timely manner.

Criteria: The Town had significant delays with the year-end financial close process for the year ended June 30, 2023. Timely, complete year end close is necessary for the Town to ensure that the financial statements are material correct and prepared in a timely manner in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All accounts should be reconciled and analyzed as a part of sound internal control procedures. Specifically, we noted the following significant items that were not reconciled and caused delays:

- We noted that the claims liability was overstated in the Other Employment Benefit Trust Fund. After many communications with the Town, and requesting a revised actuarial report, adjustments were made to the fund to correctly state the balance.
- We noted that the claims liability in the Employee Health Insurance Internal Service Fund was also overstated. A material reduction in liabilities and expenses was made to the fund to correct this balance after many conversations between the audit team and the Town.
- Our audit procedures noted that the capital assets in the Wintonbury Hills Golf Course Enterprise Fund were misstated. The fund required significant entries to correct the balances of capital assets, accumulated depreciation, accrued liabilities and noncurrent liabilities.
- Upon audit, we noted that the Town's Capital Assets did not reconcile to the supporting records and required significant revisions.

Effect: The lack of controls in place over financial reporting increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected in a timely manner, and the Town's financial statements would not be materially accurate without the above corrections.

Cause: The Town's finance department went through significant personnel changes during the year, which necessitated the Town reviewing and adjusting the general ledger long after year end.

Repeat finding: Yes, prior-year finding 2022-001.

Recommendation: We recommend that the Town review its formal policies to ensure that they cover the year end closing process and ensure that the Town can adjust and close out the general ledger timely, despite personnel changes. All accounts should be reconciled and analyzed as a part of sound internal control procedures.

Views of responsible officials: Management agrees with the finding.

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Section III – Findings and Questioned Costs – Major Federal Programs

2023-002

Federal Agency: U.S. Department of Treasury

Federal Program Name: COVID-19 – Coronavirus State & Local Fiscal Recovery Fund

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: 06-6002031-2021

Pass-Through Agency: State of Connecticut Office of Policy and Management

Pass-Through Number(s): 12060-OPM20600-29669

Award Period: March 3, 2021, through December 31, 2026

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance and Other Matters

Criteria or specific requirement: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, 2 CFR 200.303 requires compliance with the provisions of procurement, suspension, and debarment. The Town should have internal controls designed to ensure compliance with those provisions. In addition, the Town must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition: During our testing, we noted the Town did not have adequate internal controls designed to ensure vendors were not suspended or debarred.

Questioned costs: None

Context: During our testing, it was noted that the Town does not have a policy for verification that an entity with which the Town plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded.

Cause: The Town was unaware the contractors were not being reviewed to ensure they were not suspended or debarred.

Effect: The Town did not review the vendors for compliance with the suspension and debarment requirements. We did not note that any sampled vendors were suspended or debarred, however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

Repeat finding: No.

Recommendation: We recommend the Town design controls to ensure an adequate review process is in place to review potential contractors to determine they are not suspended or debarred.

Views of responsible officials: Management agrees with the finding.