

CITY OF WEST HAVEN, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2020

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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the City Council
City of West Haven, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the City of West Haven, Connecticut's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of West Haven, Connecticut's major federal programs for the year ended June 30, 2020. The City of West Haven, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of West Haven, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of West Haven, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of West Haven, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of West Haven, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of West Haven, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of West Haven, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of West Haven, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

The City of West Haven, Connecticut's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of West Haven, Connecticut's response was not subjected to the 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, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of West Haven, Connecticut's basic financial statements. We issued our report thereon dated December 30, 2020, 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 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 30, 2020

**CITY OF WEST HAVEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA 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	\$ 1,382,339
National School Lunch Program	10.555	12060-SDE64370-20560	77,892
National School Lunch Program - Cares Act	10.555	12060-SDE64370-29572	226,828
School Breakfast Program	10.553	12060-SDE64370-20508	413,805
School Breakfast Program - Cares Act	10.555	12060-SDE64370-29576	<u>148,504</u>
			\$ 2,249,368
<i>Direct:</i>			
Emergency Watershed Protection Program - Floodplain Easements - Disaster Relief Appropriations Act	10.928		<u>2,150</u>
Total United States Department of Agriculture			<u>2,251,518</u>
United States Department of Housing and Urban Development			
<i>Direct:</i>			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218		417,106
<i>Passed Through the State of Connecticut Department of Housing:</i>			
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:			
Hurricane Sandy Community Development Block Grant			
Disaster Recovery Grants (CDBG-DR)	14.269	12060-DOH46961-29501	10
Hurricane Sandy Community Development Block Grant			
Disaster Recovery Grants (CDBG-DR)	14.269	12060-DOH46961-29520	<u>23,347</u>
			<u>23,357</u>
Total United States Department of Housing and Urban Development			<u>440,463</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	2,765
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	12062-DOT57124-22108	97
Highway Planning and Construction	20.205	12062-DOT57161-22108	<u>4,764</u>
			<u>4,861</u>
Total United States Department of Transportation			<u>7,626</u>

The accompanying notes are an integral part of this schedule

**CITY OF WEST HAVEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Health and Human Services			
<i>Passed Through the State of Connecticut Department of Public Health:</i>			
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911	\$ 39,229
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48810-22664	4,500
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	12060-DPH48664-22742	<u>3,814</u>
			\$ 47,543
<i>Direct:</i>			
National Bioterrorism Hospital Preparedness Program	93.889		26,945
<i>Passed Through New Haven Health:</i>			
National Bioterrorism Hospital Preparedness Program	93.889		<u>26,945</u>
Total United States Department of Health and Human Services			<u>101,433</u>
United States Department of Homeland Security			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32990-21891	<u>29,739</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-SDE64370-20977-2020	1,617,043
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	<u>56,936</u>
			1,673,979
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	2,454,489
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	123,216
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2020	49,960
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2020	30,000
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2020	290,886
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020	7,805
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020	<u>116,330</u>
			124,135

The accompanying notes are an integral part of this schedule

**CITY OF WEST HAVEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Title IV - Student Support	84.424	12060-SDE64370-22854-2020	\$ 169,323
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>			
Coronavirus Relief Fund	84.425D	12060-OEC64845-29561	<u>258,517</u>
Total United States Department of Education			<u>5,174,505</u>
United States Department of Justice			
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	28,030
<i>Direct:</i>			
Equitable Sharing Program	16.922		<u>92,604</u>
Total United States Department of Justice			<u>120,634</u>
Total Federal Awards			<u><u>\$ 8,125,918</u></u>

The accompanying notes are an integral part of this schedule

**CITY OF WEST HAVEN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

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 City of West Haven, Connecticut, under programs of the federal government for the year ended June 30, 2020. 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 City of West Haven, 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 City of West Haven, 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

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

3. NONCASH AWARDS

Donated commodities in the amount of \$77,892 are included in the Department of Agriculture's National School Lunch Program, CFDA #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***

To the Members of the City Council
City of West 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 City of West Haven, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of West Haven, Connecticut's basic financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Haven, 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*.

The City of West Haven, Connecticut's Response to Findings

The City of West Haven, Connecticut's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of West Haven, Connecticut's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of West Haven, 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 City of West Haven, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 30, 2020

**CITY OF WEST HAVEN, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? X yes no

Major programs:

CFDA #	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2020-001

Year End Cash Disbursements (Material Weakness)

Criteria

Accrual basis of accounting as prescribed by generally accepted accounting principles require that expenditures for goods or services be recorded when the transaction occurs rather than when payments are made.

Condition

Based on our sample testing during the audit, invoices for services were not recorded in the proper fiscal year by the City. Material adjustments of \$2,461,107 were processed to the audited financial statements.

Context

In regard to the West Haven High School Project, one invoice totaling \$2,461,107 was adjusted within the Capital Improvement Fund. Total expenditures in the fund for the fiscal year were \$34,160,040.

Effect

Accounts payable and expenditures were understated.

Cause

Fiscal year end close procedures were not adequate to properly analyze invoices after year end for proper reporting.

Recommendation

We recommend that procedures be strengthened to properly record accruals in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with the finding.

III. FEDERAL FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**Finding No. 2020-002**

Procurement and Suspension and Debarment

Program

All Federal Programs

Criteria

The City must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within Uniform Guidance.

Condition

The City's procurement standards do not include the essential elements as outlined in 2 CFR sections 200.318 through 200.326.

Questioned Costs

None noted.

Context

Although the City did not have a policy in place in conformity with the federal uniform guidance criteria, the City did follow their procedures as it relates to the contracts under the procurements applicable to the City's major programs.

Effect

With the absence of a compliant policy, the City is at risk for noncompliance as it relates to federal procurement.

Cause

The City was unaware of the details surrounding the new procurement standards.

Recommendation

We recommend that the City review its formal procurement policies and make necessary changes to comply with the criteria as set out in 2 CFR sections 200.318 and 200.326.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.