

**TOWN OF BRANFORD, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2020**



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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 Board of Finance  
Town of Branford, Connecticut

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

We have audited the Town of Branford, 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 Town of Branford, Connecticut's major federal programs for the year ended June 30, 2020. The Town of Branford, 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 Town of Branford, 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 Town of Branford, 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 Town of Branford, Connecticut's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Town of Branford, 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 Town of Branford, 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 Town of Branford, 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 Town of Branford, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Town of Branford, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Branford, Connecticut's basic financial statements. We issued our report thereon dated August 4, 2021, 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.

*CliftonLarsonAllen LLP*

West Hartford, Connecticut  
August 4, 2021

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<b>United States Department of Homeland Security</b>			
<i>Direct:</i>			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		\$ <u>593,212</u>
<b>United States Department of Agriculture</b>			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 85,265
National School Lunch Program	10.555	12060-SDE64370-20560	279,931
COVID-19 National School Lunch Program	10.555	12060-SDE64370-29573	2,600
COVID-19 National School Lunch Program	10.555	12060-SDE64370-29574	30,892
School Breakfast Program	10.553	12060-SDE64370-20508	76,737
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	187,223
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	<u>8,865</u>
			<u>671,513</u>
<b>United States Department of the Interior</b>			
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>			
Clean Vessel Act	15.616	12060-DEP44434-20954	<u>91,704</u>
<b>United States Department of Transportation</b>			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	12062-DOT57191-22108	55,874
Highway Planning and Construction	20.205	14-182	<u>120,804</u>
			176,678
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	<u>30,301</u>
Total United States Department of Transportation			<u>206,979</u>
<b>United States Department of Homeland Security</b>			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Hazard Mitigation Grant	97.039	12060-DPS32983-22519	<u>23,237</u>
<b>United States Department of Education</b>			
<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	61,032
Special Education_Grants to States	84.027	12060-SDE64370-20977-2019	109,401
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	12,363
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2019	<u>20,242</u>
			203,038
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	191,279
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2019	<u>201,140</u>
			392,419
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	34,921
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2020	198,000

The accompanying notes are an integral part of this schedule

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2020	\$ 7,733
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2019	<u>48,847</u>
			\$ 56,580
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2019	8,597
Title IV - Student Support	84.424	12060-SDE64370-22854-2019	<u>20,606</u>
Total United States Department of Education			<u>914,161</u>
<b>United States Department of the Treasury</b>			
<i>Passed Through the State of Connecticut Office of Policy and Management</i>			
COVID-19 Corona Virus Relief Fund	21.019	Not available	<u>122,406</u>
<b>Total Federal Awards</b>			\$ <u><u>2,623,212</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**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 Branford, 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 Town of Branford, 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 Branford, 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 with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**2. INDIRECT COST RECOVERY**

The Town of Branford, 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 \$85,265 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 Board of Finance  
Town of Branford, 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 Branford, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Branford, Connecticut's basic financial statements, and have issued our report thereon dated August 4, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Branford, 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 Branford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Branford, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

Town of Branford's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Town of Branford'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 Town of Branford, 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 Branford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Hartford, Connecticut  
August 4, 2021

**TOWN OF BRANFORD, CONNECTICUT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2020**

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**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?   X   yes        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?        yes   X   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)?        yes   X   no

Major programs:

CFDA #	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster (IDEA)
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

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**

**2020-001** Tax Collections  
 Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

**Criteria** The tax department is charged with following the Connecticut general statutes, as well as local laws and regulations regarding the collection of tax payments, statutorily required interest, and reporting certain data to the State of Connecticut Department of Transportation regarding unpaid motor vehicle taxes.

**Condition** During the performance of our audit procedures, we became aware of some weaknesses in the policies and procedures in the tax department, as well as some recommendations for improvement.

**Context**

During the current year audit, we noted the following issues with the operations in the tax department:

- Interest appeared to have been waived by posting tax payments on dates prior to the receipt of the tax payment.
- Payments were made directly to principal while taxpayers had outstanding interest owed on the same list number.
- Some taxpayers paid less in interest during the year ended June 30, 2020 than they owed in interest as of June 30, 2019, while also paying down their unpaid principal.
- There is one large taxpayer in town that owes approximately \$1 million in outstanding personal property, motor vehicle, and motor vehicle supplemental taxes. This taxpayer appears to be making nominal tax payments and changing taxpayer names to work around the motor vehicle registration rules with the DMV, and continuing to register new motor vehicles, without paying outstanding taxes on older motor vehicles.

**Effect**

The Town has lost out on the collection of principal and interest.

**Cause**

The controls within the Tax Department were either insufficient, or the controls were circumvented or overridden to allow for the occurrence of the above noted items.

**Recommendation**

We recommend that the Town review the procedures in the tax department, specifically the procedures over the collection of taxes, the reporting of unpaid motor vehicles to DMV and the record retention policy. These processes and procedures should be formally documented and enhanced to ensure compliance with all laws and regulations.

**Views of Town Leadership**

It is the opinion of Town leadership that the presence of elected tax collectors is seemingly anachronistic given the complexity of today's modern tax systems, laws and compliance requirements. As a result the Town is contemplating code and or charter revisions to change the position of Tax Collector to a non-elected official.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

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