

**TOWN OF LEDYARD, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2022**



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**TOWN OF LEDYARD, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2022**

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	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
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 <i>GOVERNMENT AUDITING STANDARDS</i>	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**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 Ledyard, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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 Ledyard, 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 Ledyard, 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 Ledyard, 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 Ledyard, 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 Ledyard, 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 Ledyard, 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 Ledyard, 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 Ledyard, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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.

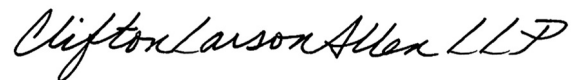
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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 Ledyard, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Ledyard, Connecticut's basic financial statements, and have issued our report thereon dated December 27, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 financial statements.

Town Council
Town of Ledyard, Connecticut

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 financial statements or to the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2022

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

<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>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
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	\$ 77,623	
National School Lunch Program	10.555	12060-SDE64370-20560		1,048,050
National School Lunch Program	10.555	12060-SDE64370-23085-2022		4,193
School Breakfast Program	10.553	12060-SDE64370-20508		<u>380,962</u>
				\$ 1,510,828
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126-2022		47,873
P-EBT Local Admin	10.649	12060-SDE64370-29802-2022	\$ -	<u>3,070</u>
Total United States Department of Agriculture				1,561,771
United States Department of Transportation				
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		<u>544</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-SDE64370-20977-2022		472,678
Special Education_Grants to States	84.027	12060-SDE64370-20977-2021		210,209
Special Education_Grants to States	84.027	12060-SDE64370-20977-2020		20,000
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2022		20,243
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2021		<u>-</u>
				723,130
Education Stabilization Fund:				
COVID-19 ARP Special Education Grants	84.425U	12060-SDE64370-23083-2022		14,898
COVID-19 American Rescue Plan - Emergen	84.425U	12060-SDE64370-29636-2022		669,210
COVID-19 Preschool Grants (ARPA)	84.425U	12060-SDE64370-29684-2022		10,050
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2022		584,729
COVID-19 ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2022		65,000
COVID-19 Elementary & Secondary School	84.425W	12060-SDE64370-29650-2022		<u>8,016</u>
				1,351,903
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022		230,729
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021		<u>34,822</u>
				265,551
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2022		12,203
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2021		<u>15,000</u>
				27,203
Title IV - Student Support	84.424	12060-SDE64370-22854-2022		1,500
Title IV - Student Support	84.424	12060-SDE64370-22854-2021		<u>10,089</u>
				11,589
<i>Direct:</i>				
Impact Aid	84.041			<u>1,261,512</u>
Total United States Department of Education			-	<u>3,640,888</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

<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>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>				
Aging Cluster:				
Special Programs for the Aging_Title III, Part B_Grants for Support	93.044	12060-SDR63901-29556	\$ -	\$ 2,300
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 Disaster	97.036	12060-DPS32990-21891	-	61,808
United States National Endowment for the Humanities				
<i>Passed Through the State of Connecticut Connecticut State Library:</i>				
National Leadership Grants	45.312	12060-CSL66011-29642	-	17,836
United States Department of the Treasury				
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
COVID-19 ARPA Local Fiscal Recovery EXP	21.027	12060-OPM20600-29669	-	58,126
United States Election Assistance Commission				
<i>Passed Through the State of Connecticut Office of the Secretary of State:</i>				
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465	-	9,223
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 5,352,496</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**TOWN OF LEDYARD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

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 Ledyard, Connecticut, under programs of the federal government for the year ended June 30, 2022. 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 Ledyard, 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 Ledyard, 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. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RECOVERY

The Town of Ledyard, 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 \$77,623 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 Ledyard, 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 Ledyard, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Ledyard, Connecticut's basic financial statements, and have issued our report thereon dated December 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ledyard, 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 Ledyard, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ledyard, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be significant deficiency.

Report on Compliance and Other Matters

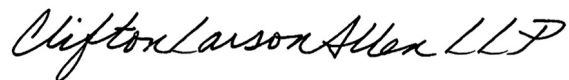
As part of obtaining reasonable assurance about whether the Town of Ledyard, Connecticut’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 Ledyard, Connecticut’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Ledyard, Connecticut’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Town of Ledyard, 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

West Hartford, Connecticut
December 27, 2022

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

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
84.425D/84.425U/84.425W	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? x yes _____ no

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

Section II – Financial Statement Findings

Finding: 2022-001

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Criteria or specific requirement

Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Condition and Context

The Ledyard Board of Education does not have adequate controls in place to ensure that all cash disbursement expenditures are being captured in the correct period. There were invoices that were paid, during fiscal year 2022, that related to services to be provided to the Board of Education in a future fiscal year. This resulted in the understatement of prepaid items and overstatement to expenditures at June 30, 2022 totaling \$345,204 and \$93,222 within the general fund and aggregate remaining funds, respectively.

Cause

Internal controls were not in place to ensure prepaid items and expenditures were properly supported and reported in accordance with U.S. GAAP.

Effect

The identified errors required an adjusting journal entry to be posted to the general fund, BOE grant fund, and school food service fund to increase prepaid items and decrease expenditures.

Repeat Finding

No

Recommendation

We recommend management evaluate the current financial reporting processes and controls to ensure that controls are in place to present the external financial statements in accordance with U.S. GAAP.

Views of Responsible Officials

Management agrees with this finding.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).