

**TOWN OF WINDSOR, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2023**



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**TOWN OF WINDSOR, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2023**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT	1
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	4
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	6
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>	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

Town Council and Finance Committee
Town of Windsor, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Windsor, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Windsor, Connecticut's major state programs for the year ended June 30, 2023. The Town of Windsor, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Windsor, 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Windsor, 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 state program. Our audit does not provide a legal determination of the Town of Windsor, 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 Windsor, Connecticut's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Windsor, 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 State Single Audit 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 Windsor, Connecticut's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Windsor, 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 Windsor, 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 State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Windsor, 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

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 Windsor, 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 Windsor, Connecticut's basic financial statements. We have issued our report thereon dated February 7, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 7, 2024

**TOWN OF WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Talent Development	11000-SDE64370-12552	\$ 5,379
Family Resource Centers	11000-SDE64370-16110	95,110
Child Nutrition State Match	11000-SDE64370-16211	17,033
Health Foods Initiative	11000-SDE64370-16212	31,199
Adult Education	11000-SDE64370-17030	114,905
Health & Welfare-Private School Pupil	11000-SDE64370-17034	67,925
Alliance District	11000-SDE64370-17041-82164	582,729
School Breakfast Program	11000-SDE64370-17046	15,972
Total Department of Education		<u>930,252</u>
Connecticut State Library		
Connecticard Payments	11000-CSL66051-17010	7,861
Historic Document Preservation	12060-CSL66094-35150	7,500
Total Connecticut State Library		<u>15,361</u>
Department of Children and Families		
Community Based Prevent Prog	11000-DCF91141-16092	7,299
Youth Service Bureaus	11000-DCF91141-17052	16,888
Youth Service Bureau Enhancement	11000-DCF91141-17107	10,754
Total Department of Children and Families		<u>34,941</u>
Department of Transportation		
Bus Operations	12001-DOT57931-12175	37,487
Town Aid Road Grants-Municipal	12052-DOT57131-43455	202,841
Intrastate Highway Projects	13033-DOT57124-41404	136
Town Aid Road-STO	13033-DOT57131-43459	202,841
Local Transportation Capital Program	13033-DOT57197-43584	1,245,792
Total Department of Transportation		<u>1,689,097</u>
Office of Early Childhood		
Early Child Care Prov Stab Pmt	11000-OEC64806-12639	58,990
Child Care Quality Enhancement	11000-OEC64845-16158	3,881
Early Care and Education	11000-OEC64845-16274	192,004
Smart Start	11000-OEC64845-16279	300,000
Total Office of Early Childhood		<u>554,875</u>
Office of Policy and Management		
Reimbrs Prop Tax-Disability Exemption	11000-OPM20600-17011	3,673
Distressed Municipalities	11000-OPM20600-17016	40,313
Prop Tax Relief For Veterans	11000-OPM20600-17024	14,240
Tiered PILOT	11000-OPM20600-17111	56,729
Local Capital Improvement	12050-OPM20600-40254	185,290
Municipal Purposes & Projects	12052-OPM20600-43587	2,075,052
Distressed Municipalities	12052-OPM20600-43750	142,769
Municipal Revenue Sharing	12060-OPM20600-35458	568,568
MRSA- Tiered PILOT	12060-OPM20600-35691	15,329
Total Office of Policy and Management		<u>3,101,963</u>
Total State Financial Assistance Before Exempt Programs		6,326,489

See accompanying Note to Schedule of Expenditures of State Financial Assistance.

**TOWN OF WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
<u>Exempt Programs</u>		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	\$ 11,587,545
Excess Cost - Student Based	11000-SDE64370-17047	\$ 1,395,485
Excess Cost - Student Based	11000-SDE64370-17047	<u>199,684</u>
		1,595,169
Total Department of Education		<u>13,182,714</u>
Office of Policy and Management		
Municipal Transition	11000-OPM20600-17103	205,072
Municipal Stabilization Grant	11000-OPM20600-17104	<u>357,943</u>
Total Office of Policy and Management		<u>563,015</u>
Total Exempt Programs		<u>13,745,729</u>
Total State Financial Assistance		<u><u>\$ 20,072,218</u></u>

See accompanying Note to Schedule of Expenditures of State Financial Assistance.

**TOWN OF WINDSOR, CONNECTICUT
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Windsor, Connecticut, under programs of the state of Connecticut for the year ended June 30, 2023. Various departments and agencies of the state of Connecticut have provided financial assistance through grants and other authorizations in accordance with the general statutes of the state of Connecticut. Because the Schedule presents only a selected portion of the operations of the Town of Windsor, 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 Windsor, Connecticut.

Basis of Accounting

The accounting policies of the Town of Windsor, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.



**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 and Finance Committee
Town of Windsor, 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 Windsor, 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 Windsor, Connecticut's basic financial statements, and have issued our report thereon dated February 7, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Windsor, 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 Windsor, Connecticut’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Windsor, Connecticut’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Windsor, 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 Town of Windsor, 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 Windsor, Connecticut’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 7, 2024

**TOWN OF WINDSOR, 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? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

State Financial Assistance

1. Internal control over major 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 major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? yes x no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Alliance District	11000-SDE64370-17041-82164	\$ 582,729
Department of Transportation:		
Town Aid Road - Municipal	12052-DOT57131-43455	202,841
Town Aid Road-STO	13033-DOT57131-43459	202,841
Office of Early Childhood:		
Smart Start	11000-OEC64845-16279	300,000

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

Section I – Summary of Auditors’ Results (Continued)

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of Policy and Management:		
Tiered PILOT	11000-OPM20600-17111	\$ 56,729
Municipal Purposes & Projects	12052-OPM20600-43587	2,075,052
Municipal Revenue Sharing	12060-OPM20600-35458	568,568
MRSA- Tiered PILOT	12060-OPM20600-35691	15,329

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 200,000

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

Section II – Financial Statement Findings

2023-001	General Ledger Maintenance
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Criteria or Specific Requirement	One of the many responsibilities of management is to establish and maintain effective internal controls in order to ensure that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Developing strong controls and procedures regarding the information posted within the financial management system ensure the Town that the information is being accurately presented, allowing the governing body to make sound financial decisions on a timely basis.
Condition	<p>During the current year audit the following errors and corrections were noted and required adjustment to the July 1, 2022 balances:</p> <ul style="list-style-type: none">• Funds were improperly classified as special revenue funds that did not qualify per the requirements of GASB Statement No. 54.• The LOSAP investment account was improperly excluded from the financial statements.• Capital project grants receivable were incorrectly classified as unearned revenue for governmental activities.• Pension and OPEB activities were not properly allocated to the Enterprise Funds and Business-Type Activities.• Educational Grants Program Fund did not properly accrue revenue from prior years.• Construction-in-progress opening balance included costs which were incorrectly capitalized.• Internal Service Fund activity was not properly allocated to the Enterprise Funds and Business-Type Activities.• Premiums related to the issuance of bonds were improperly amortized.
Context	Material audit adjustments were made based on the results of audit procedures performed.
Effect	The financial statements would not be materially correct without the audit adjustments.
Cause	The Town does not have adequate internal control policies and procedures.
Recommendation	We recommend that the Town enhance their controls policies and procedures over their general ledger review and maintenance to ensure account balances at year-end are updated and material entries are not required in the future.
Views of Responsible Officials	Management agrees with the auditors' recommendations.

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

Section III – Findings and Questioned Costs – State Financial Assistance

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.