

**Federal Single Audit  
and  
State Single Audit  
of the  
Town of Berlin, Connecticut  
For the Year Ended June 30, 2022**

**Town of Berlin, Connecticut**  
**For the Year Ended June 30, 2022**

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**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***

**Independent Auditors' Report**

**Board of Finance  
Town of Berlin, 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 Berlin, Connecticut ("Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 21, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Board of Finance  
Town of Berlin, Connecticut**

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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*.

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

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 21, 2022

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**Federal  
Single  
Audit**

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**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**

**Independent Auditors' Report**

**Board of Finance  
Town of Berlin, Connecticut**

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

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

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

**Board of Finance  
Town of Berlin, Connecticut**

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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 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 21, 2022, which contained unmodified opinions on those financial statements.

Our audit was performed 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.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 21, 2022



**Town of Berlin, Connecticut**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 195,111
National School Lunch Program	10.555	State Department of Education	12060-SDE64370-20560	-	1,026,464
National School Lunch Program Emergency Operating Cost Reimbursement	10.555	State Department of Education	12060-SDE64370-23085	-	2,770
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	<u>57,348</u>
Total Child Nutrition Cluster					\$ 1,281,693
COVID-19 State Administrative Expense for Child Nutrition - Supply Chain Assistance Grants	10.560	State Department of Education	12060-SDE64370-23126	-	51,280
COVID-19 Pandemic EBT Administrative Costs	10.649	State Department of Education	12060-SDE64370-29802	-	<u>3,070</u>
Total U.S. Department of Agriculture					<u>1,336,043</u>
<u>U.S. Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	State Office of Policy and Management	12060-OPM20350-21921	-	<u>24,864</u>
<u>U.S. Department of Labor</u>					
COVID-19 Unemployment Insurance Program	17.225	State Department of Labor	N/A	-	<u>17,638</u>
<u>U.S. Department of Transportation</u>					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	State Department of Transportation	12062-DOT57141-22108	-	421,418
Highway Safety Cluster:					
State and Community Highway Safety	20.600	State Department of Transportation	12062-DOT57513-20559	-	1,525
National Priority Safety Programs	20.616	State Department of Transportation	12062-DOT57513-22600	-	<u>10,168</u>
Total Highway Safety Cluster					11,693
Alcohol Open Container Requirements	20.607	State Department of Transportation	12062-DOT57513-22091	-	<u>3,823</u>
Total U.S. Department of Transportation					<u>436,934</u>

(Continued)

**Town of Berlin, Connecticut**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of the Treasury</u>					
Coronavirus Relief Fund		State Office of Policy and Management	12060-OPM20350-29561	\$ -	\$ 35,000
Coronavirus Relief Fund		Connecticut State Library	12060-CSL66011-29642	-	<u>16,425</u>
Total Coronavirus Relief Fund	21.019				\$ 51,425
Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	N/A	-	<u>700,000</u>
Total U.S. Department of the Treasury					<u>751,425</u>
<u>U.S. Department of Education</u>					
Title I - Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2021	-	508
Title I - Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2022	-	<u>108,989</u>
Total Title I - Grants to Local Educational Agencies	84.010				109,497
Special Education Cluster (IDEA):					
COVID-19 Special Education - Grants to States (IDEA, Part B) - Stipend	84.027	State Department of Education	12060-SDE64370-20977-2020	-	20,000
Special Education - Grants to States (IDEA, Part B)	84.027	State Department of Education	12060-SDE64370-20977-2021	-	125,383
Special Education - Grants to States (IDEA, Part B)	84.027	State Department of Education	12060-SDE64370-20977-2022	-	462,683
COVID-19 American Rescue Plan - Special Education - Grants to States (IDEA, Part B)	84.027X	State Department of Education	12060-SDE64370-23083-2022	-	<u>10,000</u>
Total Special Education - Grants to States (IDEA, Part B)					<u>618,066</u>
Special Education - Preschool Grants (IDEA Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2021	-	1,134
Special Education - Preschool Grants (IDEA Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2022	-	76
COVID-19 American Rescue Plan - Special Education - Grants to States (ARP IDEA 619)	84.173X	State Department of Education	12060-SDE64370-29684-2022	-	<u>1,620</u>
Total Special Education - Preschool Grants (IDEA Preschool)					<u>2,830</u>
Total Special Education Cluster (IDEA)					620,896
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	State Department of Education	12060-SDE64370-20742-2022	-	26,436
English Language Acquisition State Grants (Title III, Part A)		State Department of Education	12060-SDE64370-20868-2021	-	225
English Language Acquisition State Grants (Title III, Part A)		State Department of Education	12060-SDE64370-20868-2022	-	<u>11,686</u>
Total English Language Acquisition State Grants (Title III, Part A)	84.365				11,911

(Continued)

Town of Berlin, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Education (continued)</u>					
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2021	\$ -	\$ 42,560
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2022	-	<u>4,479</u>
Total Supporting Effective Instruction State Grants	84.367				\$ 47,039
Student Support and Academic Enrichment Program	84.424	State Department of Education	12060-SDE64370-22854-2021	-	12,597
Education Stabilization Fund (ESF):					
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	108,471
COVID-19 Elementary and Secondary School Emergency Relief Fund - Special Education Recovery Activities Grant	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	14,212
COVID-19 Elementary and Secondary School Emergency Relief Fund - State Set Aside	84.425D	State Department of Education	12060-SDE64370-29571-2021	-	162,205
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	State Department of Education	12060-SDE64370-29636-2021	-	<u>50,365</u>
Total Education Stabilization Fund (ESF)					<u>335,253</u>
∞ Total U.S. Department of Education					<u>1,163,629</u>
<u>U.S. Department of Homeland Security</u>					
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-21891 DR4500	-	18,162
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-21891 DR4580	-	<u>263,494</u>
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036				<u>281,656</u>
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$ 4,012,189</u>
N/A - Not available or not applicable					(Concluded)

**Town of Berlin, Connecticut**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

**1. Basis of presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of Berlin, Connecticut ("Town") under programs of the federal government. The information in this 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, it is not intended to and does not present the financial position, changes in net position, changes in fund balance, or cash flows of the Town.

**2. Summary of significant accounting policies**

A. Expenditures reported on the Schedule are reported on 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.

B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**3. Noncash federal awards**

The Town received and expended \$57,348 of USDA donated commodities under the National School Lunch Program.

**4. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.

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**Town of Berlin, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	yes	_____ x _____	no none reported
Significant deficiency(ies) identified?	_____	yes	_____ x _____	

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

_____	yes	_____ x _____	no
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Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund (ESF)

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?	_____ x _____	yes	_____	no
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II. Findings - Financial Statement Audit

None

III. Findings and Questioned Costs - Major Federal Award Programs Audit

None

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**State  
Single  
Audit**

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**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**

**Independent Auditors' Report**

**Board of Finance  
Town of Berlin, Connecticut**

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

***Opinion on Each Major State Program***

We have audited the Town of Berlin, Connecticut's ("Town") 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's major state programs for the year ended June 30, 2022. The Town'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 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, 2022.

***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 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'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'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'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 Act 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'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'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'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'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.



**Board of Finance  
Town of Berlin, Connecticut**

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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 the 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 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 21, 2022, which contained unmodified opinions on those financial statements.

Our audit was performed 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 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.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 21, 2022

**Town of Berlin, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2022**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Sheff Settlement	11000-SDE64370-12457	\$ -	\$ 133,753
Open Choice - Acceptance Rate (Sheff)	11000-SDE64370-12457	-	6,900
Open Choice - Educational Enhancement (Sheff)	11000-SDE64370-12457	-	6,900
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	11,112
Healthy Foods Initiative	11000-SDE64370-16212	-	14,813
Adult Education	11000-SDE64370-17030	-	12,240
Health Services	11000-SDE64370-17034	-	15,921
School Breakfast	11000-SDE64370-17046	-	13,245
Open Choice	11000-SDE64370-17053	-	772,894
Department of Children and Families:			
Youth Services Bureau	11000-DCF91141-17052	-	14,186
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	10,866
Department of Economic and Community Development:			
Manufacturing Assistance Act	12035-ECD46260-40226	-	94,666
Brownfield Remediation Program	12052-ECD46260-35533	-	281,027
Small Town Economic Assistance Program	12052-ECD46260-42411	-	3,840
Department of Housing:			
Affordable Housing Plan Grant Technical Assistance Program	12039-DOH46900-40233	-	8,981
Department of Emergency Services and Public Protection:			
Telecommunications Fund	12060-DPS32741-35190	-	799
Department of Social Services:			
Medicaid	11000-DSS60000-16020	-	51,876
Department of Mental Health and Addiction Services:			
Bond Funds	13019-MHA53300-43696	-	30,056
Office of Policy and Management:			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	3,103
Property Tax Relief for Veterans	11000-OPM20600-17024	-	9,084
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	-	20,405
Municipal Grants-in-Aid	12052-OPM20600-43587	-	1,593,642
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	-	7,251
Transit Oriented Development	17161-OPM20870-43550	-	152,226
Connecticut State Library:			
Connecticard Payments	11000-CSL66051-17010	-	7,720
Historic Documents Preservation Grant	12060-CSL66094-35150	-	5,500

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

**Town of Berlin, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2022**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Transportation:			
Transit District Grants and Loan Transportation Fund	12001-DOT57931-12175	\$ -	\$ 40,660
Town Aid Roads Grants Transportation Fund	12052-DOT57131-43455	-	166,726
Town Aid Roads Grants Transportation Fund - STO	13033-DOT57131-43459	-	166,726
Local Bridge Program Transportation Fund	13033-DOT57191-43456	-	<u>1,943</u>
Total State Financial Assistance Before Exempt Programs			<u>3,659,061</u>
<u>Exempt Programs:</u>			
Department of Education:			
Education Cost Sharing	11000-SDE64370-17041	-	5,871,938
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	946,114
Office of Policy and Management:			
Municipal Stabilization Grant	11000-OPM20600-17104	-	<u>258,989</u>
Total Exempt Programs			<u>7,077,041</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 10,736,102</u>

(Concluded)

See Notes to Schedule of Expenditures of State Financial Assistance.

**Town of Berlin, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2022**

**1. Basis of presentation**

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Berlin, Connecticut ("Town"), under programs of the State of Connecticut. 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. These financial assistance programs fund several programs including general government, community development, public safety, public works, health and human services, recreation, library and education.

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

**2. Summary of significant accounting policies**

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

The information in the Schedule is based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule are reported 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.

**3. Loan program**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule shall include loans and loan activities. The following is a summary of the various loan program activity:

Department of Energy and Environmental Protection:

Clean Water Funds: (21015-DEP43720-42318)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2021	Additions	Retired	Balance June 30, 2022
CWF 212-CSL	3/30/2015	2.00%	\$2,236,514	\$1,481,689	\$ -	\$111,825	\$ 1,369,864
CWF 217-CSL	11/06/2018	2.00%	1,933,314	1,723,872	-	96,666	1,627,206
Total				<u>\$3,205,561</u>	<u>\$ -</u>	<u>\$208,491</u>	<u>\$ 2,997,070</u>

**4. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.

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**Town of Berlin, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>x</u> no

State Financial Assistance

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported
Type of auditors' report issued on compliance for major programs:	<u>Unmodified opinion</u>	
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	_____ <u>x</u> no

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

State Grantor and Program	State Core-CT number	Expenditures
Department of Transportation:		
Brownfield Remediation Program	12052-ECD46260-35533	\$ 281,027
Municipal Grants-in-Aid	12052-OPM20600-43587	1,593,642
Transit Oriented Development	17161-OPM20870-43550	152,226

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 200,000</u>
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II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None