

Town of Greenwich, Connecticut

Federal and State Compliance Report
Fiscal Year Ended June 30, 2022

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RSM US LLP

**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 Auditor's Report

Board of Estimate and Taxation
Town of Greenwich, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Greenwich, Connecticut's (the 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 auditor's 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 (*Government Auditing Standards*); 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 Auditor's 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.

Auditor's 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 have issued our report thereon dated June 30, 2023, which contained an unmodified opinion on those financial statements. Our report included an emphasis of matter paragraph due to the adoption of Government Accounting Standards Board (GASB) Statement No. 87 *Leases*, effected July 1, 2021. 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. 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.

RSM US LLP

Hartford, Connecticut
June 30, 2023

Town of Greenwich, Connecticut

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

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through the State of Connecticut				
Department of Education:				
Child Nutrition Cluster:				
School Breakfast	10.553	12060-SDE64370-20508	\$ -	\$ 464,614
National School Lunch Program	10.555	12060-SDE64370-20560	-	3,916,952
Supply Chain Assistance	10.555	12060-SDE64370-23126	-	19,810
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	-	21,386
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	-	208,716
Total Child Nutrition Cluster			-	4,631,478
COVID-19 State Pandemic Electronic Benefit (P-EBT)				
Administrative Costs Grant	10.649	12060-SDE64370-29802	-	8,596
Total U.S. Department of Agriculture			-	4,640,074
Department of Homeland Security				
Direct Program:				
Port Security Grant	97.056	N/A	-	71,158
Passed through the State of Connecticut Emergency Management and Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS40183-27580	-	545,628
Total Department of Homeland Security			-	616,786
U.S. Department of Education				
Passed through the State of Connecticut				
Department of Education:				
Title I Grants to Local Educational Agencies - Grants 17-19	84.010	12060-SDE64370-20679	-	7,761
Title I Grants to Local Educational Agencies - Grants 18-20	84.010	12060-SDE64370-20679	-	62,040
Title I Grants to Local Educational Agencies - Grants 19-21	84.010	12060-SDE64370-20679	-	455,460
Title I Grants to Local Educational Agencies - Grants 20-22	84.010	12060-SDE64370-20679	-	600,756
			-	1,126,017
Student Support and Academic Enrichment Program - Grants 17-19	84.424	12060-SDE64370-22854	-	4,697
Student Support and Academic Enrichment Program - Grants 18-20	84.424	12060-SDE64370-22854	-	30,694
			-	35,391
Special Education Cluster (IDEA):				
Special Education-Grants to States (IDEA, Part B) - Grants to States 19-21	84.027	12060-SDE64370-20977	-	323,882
Special Education-Grants to States (IDEA, Part B) - Grants to States 20-22	84.027	12060-SDE64370-20977	-	2,185,779
Special Education-Preschool Grants (IDEA Preschool) - Grants to States 19-21	84.173	12060-SDE64370-20984	-	11,457
Special Education-Preschool Grants (IDEA Preschool) - Grants to States 20-22	84.173	12060-SDE64370-20984	-	36,566
Total Special Education Cluster (IDEA)			-	2,557,684
Career and Technical Education-Basic Grants to States (Perkins V) 18-20	84.046	12060-SDE64370-20982	-	59,502
Career and Technical Education-Basic Grants to States (Perkins V) 19-21	84.047	12060-SDE64370-20983	-	67,742
			-	127,244
English Language Acquisition State Grants 18-20	84.365	12060-SDE64370-20868	-	1,502
English Language Acquisition State Grants 19-21	84.365	12060-SDE64370-20868	-	48,557
English Language Acquisition State Grants 20-22	84.365	12060-SDE64370-20869	-	13,762
			-	63,821
Supporting Effective Instruction State Grants 18-20	84.367	12060-SDE64370-20858	-	34,383
Supporting Effective Instruction State Grants 19-21	84.367	12060-SDE64370-20858	-	62,285
Supporting Effective Instruction State Grants 20-22	84.367	12060-SDE64370-20858	-	81,468
			-	178,136
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	12060-SDE64370-29571	-	1,991,183
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	12060-SDE64370-29571	-	1,410,382
			-	3,401,565
Total U.S. Department of Education			-	7,489,858

(Continued)

Town of Greenwich, Connecticut

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

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct Program:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ -	\$ 1,066,593
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	-	291,119
Total CDBG - Entitlement Grant Cluster			-	1,357,712
Total U.S. Department of Housing and Urban Development			-	1,357,712
U.S. Department of Justice				
Passed through the State of Connecticut Emergency Management and Homeland Security:				
Bulletproof Vest Partnership Program	16.607	N/A	-	7,553
Passed through the State of Connecticut Office of Policy and Management				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	-	10,000
Total U.S. Department of Justice			-	17,553
U.S. Department of Health and Human Services				
Direct Program:				
COVID-19 - Provider Relief Fund	93.498	N/A	-	660,881
Passed through Ledge Light Health District:				
Public Health Emergency Preparedness	93.069	12060-DPH48557-22333	-	21,134
Passed through the State Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	12060-DPH48666-16112	-	2,195
Immunization Cooperative Agreements	93.268	non contract	-	3,685
Immunization Cooperative Agreements	93.268	non contract	-	273
COVID-19 Epidemiology and Laboratory Capacity for Infectious Disease	93.323	12060-DPH48666-16112	-	107,152
Total U.S. Department of Health and Human Services			-	795,320
U.S. Department of Transportation				
Passed through State Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57931-22108	-	509,566
Total Highway Planning and Construction Cluster			-	509,566
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	12062-DOT57343-22091	-	16,935
National Priority Safety Programs	20.616	12062-DOT57931-22600	-	27,388
Total Highway Safety Cluster			-	44,323
Total U.S. Department of Transportation			-	553,889
U.S. Department of Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	7,557,132
Passed through the State Office of Policy and Management:				
COVID-19 Coronavirus Relief Fund	21.019	12060-OPM20600-29561	-	109,843
Total U.S. Department of Treasury			-	7,666,975
Total Expenditures of Federal Awards			\$ -	\$ 23,138,167

See notes to schedule of expenditures of federal awards.

Town of North Haven, Connecticut

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Greenwich, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the 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 fund balance, or changes in net position or cash flows of the Town.

Note 2. Summary of Significant Accounting Principles

Expenditures reported in the Schedule are recognized using the modified accrual basis of accounting. Such expenditures are reported following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Noncash Awards

Immunization Cooperative Agreements – CFDA NO. 93.268: The United States Department of Health and Human Services makes non-cash distributions of vaccines. The amount of \$3,958 represents the fair value of such vaccines used during the period.

Note 4. Indirect Cost Recovery

The Town did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

Town of Greenwich, Connecticut

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

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs: unmodified

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

Identification of Federal Major Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
10.553/555/559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Aid
84.425U	COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief
93.498	COVID-19 – Provider Relief Fund
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes X No

Town of Greenwich, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022**

II. Financial Statement Findings

2022-001 – Material Weakness, Completeness and Accuracy of Schedule of Expenditures of Federal and State Awards

Criteria: Committee of Sponsoring Organizations (COSO) Framework – control activities: Proper review of the schedule of expenditures of federal awards (SEFA) and schedule of expenditure of state awards (SESA) includes the accuracy and completeness of the schedules.

Condition: We noted several adjustments to the SEFA and SESA as originally provided by the client. The SEFA and SESA balance is required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The Town has failed to adequately perform such reconciliation. We identified adjustments to the SEFA resulting in a net increase in expenses reported of approximately \$12.9 million for 17 programs. We identified adjustments to the SESA resulting in a net increase in expenses reported of approximately \$1.1 million for 10 programs.

Context: See “Condition” above.

Cause: Grant management and reporting is not centralized within the Town and are left to the individual departments. Additionally, management as well as department heads are unfamiliar with grant accounting in accordance with U.S. GAAP.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

Recommendation: We recommend that Town management, in coordination with the departments; establish policy and procedures to help to make certain all federal and state expended funds are captured timely and appropriately in the correct fiscal year in the SEFA and SESA.

View of Responsible Official: Due to turnover at the Greenwich Public Schools in key positions in recent years, the Town’s Finance Department has come to realize the grants reporting needs to be centralized. Initially, the Finance Department will assume more responsibility in the SEFA and SESA reconciliations of the reports to the Town’s financial software (MUNIS) until a Town-wide centralized grants reporting unit can be established.

III. Federal Award Findings and Questioned Costs

No matters to report.



TOWN OF GREENWICH

Finance Department

Peter P. Mynarski, Jr., Comptroller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2022

2021-001 – Material Weakness, Completeness and Accuracy of Grant Revenues & Expenditures

Audit Finding: There were several adjustments to the basic financial statements, Schedule of Expenditure of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA) as originally provided by the Town. The SEFA and SESA balances are required to be reconciled to the basic financial statement prepared in accordance with generally accepted accounting principles in the United States (US GAAP). The Town has failed to adequately perform such reconciliation and as a result of procedures performed by RSM we identified the following adjustment to expenditures reported on the SEFA and SESA as well as to intergovernmental Revenue reported on the basic financial statements See below for details:

- **Federal Program – ALN 21.027 – American Rescue Plan Act (ARPA):** The Town recognized \$15,699,559 ARPA money received in FY21 as intergovernmental revenue. Per review of the SEFA, the Town incurred \$0 expenditures and thus had not met grant eligibility requirements as of year-end. Management booked a correcting entry to move the \$15.7 million from revenue into unearned revenue.
- **State Program – 13033-DOT57197-43584 – Local Transport Capital Program (LOTICIP):** The Town's preliminary SESA and basic financial statements reported LOTICIP expenditures and revenues as \$2,917,207, which was the amount received from the State in FY21. As of June 30, 2021, the Town had only incurred \$630,244 of allowable expenditures and thus their SESA and intergovernmental revenues were overstated by \$2,286,964 of unearned grant money. Management booked a correcting entry to move the \$2.3 million from revenue into unearned revenue and subsequently corrected the SESA.
- **State Program – 12050-OPM20600-40254 – Local Capital Improvement Program (LOCIP):** The Town's was awarded \$322,926 under the LOCIP program in FY21 of which they had incurred allowable expenditures. The Town failed to recognize the award as a receivable as of year-end on a GAAP basis and failed to report the expenditures on the SESA. The basic financial statements and SESA were subsequently corrected by management.
- **Other SEFA & SESA adjustments identified by RSM:** In addition to the above, there were several instances in which the SEFA or SESA was updated due to the preliminary schedule not accurately reflecting expenditures incurred during FY21 or due to certain programs being left of the preliminary report. Note, the items included below solely impacted the SEFA or SESA and did not have an effect on the basic financial statements. See Below:

○ Federal Programs	
▪ Title IV Cluster	\$ 37,946
▪ ESSER I	\$ 823,037
▪ ESSER II	\$1,148,598
○ State Programs	
▪ Bilingual Education	\$ 4,345

▪ Teacher Education and Monitoring Program	\$ 15,271
▪ Bus Operations	\$ 72,902
▪ Town Aid Road Grant	\$(750,469)
▪ STEAP Fund – YWCA	\$ 13,084
▪ STEAP Fund – Neighbor to Neighbor	\$ 237,500
▪ Early Care Education	\$ 278,948
▪ Competitive School Readiness	\$ 14,225

Corrective Action Taken: This is a repeat finding, see 2022-001 in the Schedule of Findings and Questioned Costs.

The Finance Department has placed an emphasis on educational meetings with the Board of Education within the area of receiving grants. The emphasis will now be directed towards working with the Department of Public Works. These meetings will provide the department with guidance and instruction for the following:

- How and when to report the expenditures related to grants
- The need to maintain award letters and closeout documentation
- Development of criteria for grant spending

2021-002/003 – Subrecipient Monitoring

Audit Finding: The Town did not perform a risk assessment on subrecipient or have a formal plan for monitoring subrecipients.

Corrective Action Taken: This finding has been remediated.



 Peter Mynarski, Town of Greenwich Comptroller

**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 Auditor's Report

Board of Estimate and Taxation
Town of Greenwich, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greenwich, Connecticut (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, and have issued our report thereon dated June 30, 2023. Our report included an emphasis of matter paragraph due to the adoption of Government Accounting Standards Board (GASB) Statement No. 87 *Leases*, effected July 1, 2021.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town'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'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.

RSM US LLP

Hartford, Connecticut
June 30, 2023



RSM US LLP

**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 Auditor's Report

Board of Estimate and Taxation
Town of Greenwich, Connecticut

Report on Compliance for Each Major State Program

Qualified and Unmodified Opinions

We have audited the Town of Greenwich, Connecticut's (the 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.

Qualified Opinion on Early Care Education

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Early Care Education for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major State Programs

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 other major state programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinion

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.

Matter Giving Rise to Qualified Opinion on Early Care Education

As described in the accompanying schedule of findings and questioned costs, the Town did not comply with requirements regarding Early Care Education, as described in finding 2022-003.

Compliance with such requirements is necessary, in our opinion, for the Town to comply with the requirements applicable to that program.

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 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 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 and 2022-004 to be significant deficiencies.

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 as of and for the year ended June 30, 2022, and have issued our report thereon dated June 30, 2023, which contained an unmodified opinion on those financial statements. Our report included an emphasis of matter paragraph due to the adoption of Government Accounting Standards Board (GASB) Statement No. 87 *Leases*, effected July 1, 2021. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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. 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 state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Hartford, Connecticut
June 30, 2023

Town of Greenwich, 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	Expenditures
State Department of Education			
School Breakfast	11000-SDE64370-17046	\$ -	\$ 18,542
Bilingual Education	11000-SDE64370-17042	-	5,765
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	41,056
Healthy Food Initiative	11000-SDE64370-16212	-	44,081
Health Services	11000-SDE64370-17034	-	4,923
Youth Service Bureau	11000-SDE64370-17052	-	14,186
Youth Service Bureau Enhancement	11000-SDE64370-17107	-	13,126
Teach Education and Mentoring Program (TEAM)	11000-SDE64370-12552	-	8,923
Total State Department of Education		-	150,602
Judicial Department			
Motor Vehicle Fines	34001-JUD95162-40001	-	35,532
Connecticut State Library			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
State Office of Policy and Management			
Property Tax Relief for Veterans	11000-OPM20600-17024	-	14,255
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	251
Tiered PILOT	11000-OPM20600-17111	-	685,911
MRSA - Tiered PILOT	12060-OPM20600-35691	-	243,748
Body Cameras	12052-OPM20350-43760	-	104,029
Local Capital Improvement Program	12050-OPM20600-40254	-	159,058
Municipal Grants - in - Aid	12052-OPM20600-43587	-	89,022
Total State Office of Policy and Management		-	1,296,274
Department of Emergency Services and Public Protection			
Drug Asset Forfeiture Funds	12060-DPS32155-35142	-	235
Telecommunications Fund	12060-DPS32700-35190	-	147,422
Total Department of Emergency Services and Public Protection		-	147,657
State Department of Transportation			
Bus Operations	12001-DOT5700-12175	-	72,902
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	376,083
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	-	318,825
Local Transport Capital Program	13033-DOT57131-43584	-	3,441,122
Total State Department of Transportation		-	4,208,932
State Department of Public Health			
Vaccines	non-contract	-	874
Local and Districts Departments of Health	11000-DPH48500-17009	-	72,374
Total State Department of Public Health		-	73,248
State Office of Early Childhood			
Early Care Education	11000-OEC64845-16274	267,422	267,422
Total State Office of Early Childhood		267,422	267,422

(Continued)

Town of Greenwich, Connecticut

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

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
Office of the State Treasurer			
Nitrogen Credit Exchange	21016-OTT14230-42407	\$ -	\$ 30,314
Total Office of the State Treasurer		<u>-</u>	<u>30,314</u>
State Department of Energy and Environmental Protection			
Public, Educational and Governmental Programming and Educational Technology Investment Account Program	12060-DEP44620-35363	-	3,961
		<u>-</u>	<u>3,961</u>
Total State Financial Assistance Before Exempt Programs		<u>267,422</u>	<u>6,221,442</u>
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041	-	573,151
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	1,316,910
Total Department of Education		<u>-</u>	<u>1,890,061</u>
Total Exempt Programs		<u>-</u>	<u>1,890,061</u>
Total Expenditures of State Financial Assistance		<u>\$ 267,422</u>	<u>\$ 8,111,503</u>

See notes to schedule of expenditures of state financial assistance.

Town of Greenwich, Connecticut

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

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of the Town of Greenwich, Connecticut (the Town) under programs of the State of Connecticut for the fiscal year ended June 30, 2022. 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, it is not intended to and does not present the financial position, changes in fund balance, or changes in net position or cash flows of the Town.

Note 1. Summary of Significant Accounting Policies

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

Basis of accounting: The expenditures reported in 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 in the Schedule.

Note 2. Noncash Awards

Vaccines: The Connecticut Department of Public Health makes non-cash distributions of vaccines. The amount of \$874 represents the fair value of such vaccines used during the period.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2022:

Department of Energy and Environmental Protection:

Clean Water Funds 21014-OTT1400-4001:

	Issue Date	Interest Rate	Original Amount	Balance Beginning	Issued	Retired	Balance Ending
364C	12/31/2004	2%	8,671,620	\$ 1,689,128	\$ -	\$ (470,614)	\$ 1,218,514
				\$ 1,689,128	\$ -	\$ (470,614)	\$ 1,218,514

Town of Greenwich, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs
Year Ended June 30, 2022**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
 - Significant deficiency(ies) identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? X Yes None reported

Type of auditor's report issued on compliance for major programs: qualified

- 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? X Yes No

The following schedule reflects the major programs included in the State Single Audit:

State Grantor and Program	State Core-CT Number	Expenditures
State Office of Policy and Management		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 159,058
Tiered PILOT	11000-OPM20600-17111	685,911
MRSA - Tiered PILOT	12060-OPM20600-35691	243,748
Body Cameras	12052-OPM20350-43760	104,029
State Department of Transportation		
Local Transport Capital Program	13033-DOT57131-43584	3,441,122
State Office of Early Childhood		
Early Care Education	11000-OEC64845-16274	267,422
Dollar threshold used to distinguish between Type A and Type B Programs		<u> \$ 200,000 </u>

Town of Greenwich, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs
Year Ended June 30, 2022**

II. Financial Statement Findings

See Financial Statement Findings, **2022-001 – Material Weakness, Completeness and Accuracy of Grant Revenues & Expenditures.**

III. State Financial Assistance Findings and Questioned Costs

2022-002 – Special Reporting Requirements – Significant Deficiency

**State Office of Policy and Management
12050-OPM20600-40254 – Local Capital Improvement Program
12052-OPM20350-43760 – Body Cameras**

Criteria: The Town is responsible for maintaining compliance and ensuring internal controls over compliance with the Special Reporting Requirements compliance requirements of the Local Capital Improvement Program Grant and the Body Camera Program. The FORM OPM-DE-2017 should agree to the amount of expenditures reported on the Schedule of Expenditures of State Awards.

Condition: The FORM OPM-DE-2017 expenditures listed for the Local Capital Improvement Program did not agree to the Schedule of Expenditures of State Awards. Additionally, the FORM OPM-DE-2017 did not include the body cameras expenses.

Context: See “Condition” above

Cause: Grant management and reporting is not centralized within the Town. The Town department does not have a clear tracking mechanism to identify each project authorized by the State Office of Policy and Management and the related expenses.

Effect of Potential Effect: FORM OPM-DE-2017 should be submitted with the expenses incurred as expected to be included on the Schedule of Expenditures of Federal Awards. This results in non-compliance with Special Reporting Requirements of the State of Connecticut OPM. This can result in the State cancelling funding of the Local Capital Improvement Program Grant or denying reimbursement of grant expenditures.

Recommendation: We recommend that Town management, in coordination with the departments, follow policy and procedures to help to make certain the reimbursement requests are submitted timely in accordance with the instructions.

View of Responsible Official: The Town agrees with the finding and the Comptroller has amended the FORM-DE-2017 to agree with the figures reported in the SESA.

Town of Greenwich, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)
Year Ended June 30, 2022**

2022-003 – Subrecipient Monitoring – Material Weakness

**State of Connecticut Office of Early Childhood
11000-OEC64845-16274 Early Care Education**

Criteria: Contractors that pass-through funds to subrecipients are required to perform the following activities:

- Identify State award information and compliance requirements to the subrecipient.
- Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
- Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

Condition: The Town did not have a subaward agreement identifying the requirements the subrecipient must comply with for the subaward. The Town did not perform a risk assessment on subrecipients. The Town did not have a plan in place to monitor subrecipients.

Cause: While the Town held periodic meetings with subrecipients, they were unable to provide documentation to support compliance with subrecipient monitoring requirements.

Effect: The Town's subrecipients could not comply with all requirements in accordance with the state award.

Questioned Costs: None.

Context: The Town had provided funds to one subrecipient.

Recommendation: We recommend having a signed subaward agreement identifying all requirements applicable to the subrecipient. We recommend performing and documenting a risk assessment for each subrecipient. We recommend for management to create a comprehensive subrecipient monitoring plan and to document how that plan is implemented for each subaward.

View of Responsible Officials: The Town agrees with the finding. Due to turnover at the Greenwich Public Schools in key positions in recent years, the Town' Finance Department will take a much more active role in subrecipient monitoring.

Town of Greenwich, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)
Year Ended June 30, 2022**

2022-004 – Special Reporting Requirements – Significant Deficiency

**State Department of Transportation
13033-DOT57000-43584 – Local Transportation Capital Improvement Program (LOTICIP)**

Criteria: The Town is responsible for maintaining compliance and ensuring internal controls over compliance with the Special Reporting Requirements compliance requirements of the Local Transportation Capital Improvement Program (LOTICIP) Grant and the Body Camera Program. The quarterly reporting should agree to the underlying detail.

Condition: Quarterly reports did not agree to the underlying details. The Town has three projects reported quarterly. For 10 out of 12 amounts reported by program, the amount reported did not agree to the underlying detail.

Context: See “Condition” above

Cause: The quarterly reporting was prepared and submitted by Western Connecticut Council of Governments (WESTCOG). Management did not perform a reconciliation of the underlying detail provided to WESTCOG and the reports submitted.

Effect of Potential Effect: Quarterly reports should be submitted with the expenses incurred through the period submitted. This results in non-compliance with Special Reporting Requirements of the State of Connecticut OPM. This can result in the State cancelling funding of the Local Transportation Capital Improvement Program Grant or denying grant expenditures.

Recommendation: We recommend the Town perform a reconciliation of the submitted quarterly reports and the underlying detail.

View of Responsible Official: The Town agrees with the finding and the Town’s Finance Department will take a more active role in the monitoring of the Town’s Public Works Department’s reporting and reconciling with WESTCOG.



TOWN OF GREENWICH

Finance Department

Peter P. Mynarski, Jr., Comptroller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2022

2021-004/006 – Special Reporting Requirements – Significant Deficiency

Audit Finding: The Town is responsible for maintaining compliance and ensuring internal controls over compliance with the Special Reporting Requirement compliance requirements of the local Capital Improvement Program Grant. The FORM OPM-DE-2017 should agree to the amount of expenditures reported on the Schedule of Expenditures of State Awards. See below for details:

- **State Office of Policy and Management – 12050-OPM20600-40254 – Local Capital Improvement Program:** FORM OPM-DE-2017 should be submitted with the expenses incurred as expected to be included on the Schedule of Expenditures of Federal Awards. The two amounts did not agree.

Corrective Action Taken: For the fiscal year ending June 30, 2021, FORM OPM-DE-2017 was amended.

2021-004/006 – Subrecipient Monitoring – Material Weakness

Audit Finding: The Town is responsible for the following when contracting with pass-through subrecipients:

- Identify State award information and compliance requirement to the subrecipient
- Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State Awards in compliance with State requirement, e.g. review of financial and programmatic reports, on site monitoring visits.
- Ensure that required subrecipient audits are performed and Corrective Action plans adequately address any monitoring and audit finding
- Ensure that reported expenditures agree with subrecipient financial records and are reconciled to the pass-through entity's advances. See below for details:
- **State of Connecticut Office of Early Childhood – 11000-OEC+5956-16274 Early Care Education:** The Town did not have a subaward agreement identifying the requirements the subrecipient must comply with for the subaward. The Town did not perform a risk assessment on subrecipients. The Town did not have a plan in place to monitor subrecipients.

Corrective Action Taken: This is a repeat finding, see finding 2022-003 in the Schedule of Findings and Questioned Costs.

Peter Mynarski, Town of Greenwich Comptroller