

Greater New Haven Water Pollution Control Authority

State Compliance Report
June 30, 2023

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Report required by the *Government Auditing Standards*

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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 Auditor's Report

Board of Directors
Greater New Haven Water Pollution Control Authority

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 business-type activities, of the Greater New Haven Water Pollution Control Authority, which comprise Greater New Haven Water Pollution Control Authority's statement of net position as of June 30, 2023, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2023. Our report included an emphasis of matter paragraph due to the adoption of Government Accounting Standards Board (GASB) Statement No. 96 *Subscription Based Information Technology Assets*, effective July 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater New Haven Water Pollution Control Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater New Haven Water Pollution Control Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater New Haven Water Pollution Control Authority'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. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater New Haven Water Pollution Control Authority'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Hartford, Connecticut
December 19, 2023

**Report on Compliance for the Major State Program; Report on
Internal Control Over Compliance; and Report on
Schedule of Expenditures of State Financial Assistance
Required by the State Single Audit Act**

Independent Auditor's Report

Board of Directors
Greater New Haven Water Pollution Control Authority

Report on Compliance for Each Major State Program

Opinion on the Major State Program

We have audited Greater New Haven Water Pollution Control Authority's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on Greater New Haven Water Pollution Control Authority's major State program for the year ended June 30, 2023. Greater New Haven Water Pollution Control Authority's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greater New Haven Water Pollution Control Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major State program for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

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

We are required to be independent of Greater New Haven Water Pollution Control Authority 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 the major State program. Our audit does not provide a legal determination of Greater New Haven Water Pollution Control Authority'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 Greater New Haven Water Pollution Control Authority's state 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 Greater New Haven Water Pollution Control Authority'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 Greater New Haven Water Pollution Control Authority'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 Greater New Haven Water Pollution Control Authority'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 Greater New Haven Water Pollution Control Authority'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 Greater New Haven Water Pollution Control Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 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 business-type activities of Greater New Haven Water Pollution Control Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Greater New Haven Water Pollution Control Authority's basic financial statements. We issued our report thereon, dated December 19, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Hartford, Connecticut
December 19, 2023

**Greater New Haven
Water Pollution Control Authority**

**Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2023**

State Grantor/ Pass-Through Grantor/ Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients Subrecipients	Expenditures
State Department of Energy and Environmental Protection: Clean Water Fund	21014-OTT14000-40001	\$ -	\$ 6,544,660
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 6,544,660</u>

See notes to schedule of expenditures of state financial assistance.

**Greater New Haven
Water Pollution Control Authority**

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2023**

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Greater New Haven Water Pollution Control Authority (GNHWPCA) under the program of the State of Connecticut (the State) for the fiscal year ended June 30, 2023. The Department of Environmental Protection of the State has provided financial assistance to GNHWPCA through grants and loans in accordance with the General Statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of the GNHWPCA, it is not intended and does not present the financial position, changes in fund balance, changes in net position, or cash flows of GNHWPCA.

The accounting policies of the GNHWPCA conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

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

Basis of accounting

Expenditures reported on the Schedule of Expenditures of State Financial Assistance are presented on the 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. The GNHWPCA has no such grants in the current year.

Note 2. 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 of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2023:

Department of Energy and Environmental Protection:

Clean Water Fund 21014-OTT14000-40001:

Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
\$ 56,793,906	\$ 5,339,137	\$ 4,984,185	\$ 57,148,858

**Greater New Haven
Water Pollution Control Authority**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's opinion issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

State Financial Assistance

Internal control over major program:

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

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

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 ☒ No

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

<u>State Grantor and Program</u>	<u>State CORE-CT Number</u>	<u>Expenditures</u>
Department of Energy and Environmental Protection		
Clean Water Fund	21014-OTT14000-40001	<u>\$ 6,544,660</u>
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

II. Financial Statement Findings

No matters were reported.

III. State Financial Assistance Findings and Questioned Costs

No matters were reported.

**Greater New Haven
Water Pollution Control Authority**

**Summary of Prior Year Audit Findings
Year Ended June 30, 2023**

There were no findings noted in the year ended June 30, 2022.