



**TOWNSHIP OF HAVERFORD
HAVERTOWN, PENNSYLVANIA**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

TOWNSHIP OF HAVERFORD
SINGLE AUDIT REPORT

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INDEPENDENT AUDITOR'S 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

June 24, 2022

Board of Commissioners
Township of Haverford
Havertown, Pennsylvania

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Haverford ("the Township"), Havertown, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Township's basic financial statements, and have issued our report thereon dated June 24, 2022. Our report includes a reference to other auditors who audited the financial statements of the Haverford Township Free Library ("the Library"), as described in our report on the Township's financial statements. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Board of Commissioners
Township of Haverford

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 determination of financial statement amounts. 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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP



INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

June 24, 2022

Board of Commissioners
Township of Haverford
Havertown, Pennsylvania

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the Township of Haverford's ("the Township") 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 the Township's major federal program for the year ended December 31, 2021. The Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

Board of Commissioners
Township of Haverford

We are required to be independent of the Township 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 federal program. Our audit does not provide a legal determination of the Township'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 Township'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 Township'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 Township'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 Township'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 Township'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 Township's internal control over compliance. Accordingly, no such opinion is expressed.

Board of Commissioners
Township of Haverford

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.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. We issued our report thereon, dated June 24, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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 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

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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.

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.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**TOWNSHIP OF HAVERFORD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Source Code	Federal CFDA Number	Total Received for the Year	Accrued Revenue 1/1/2021	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue 12/31/2021	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development								
Community Development Block Grants/Entitlement Grants	D	14.218	\$ 588,418	\$ 83,918	\$ 540,052	\$ 540,052	\$ 35,552	\$ -
Community Development Block Grants/Entitlement Grants Program Income	D	14.218	75,624	-	75,624	75,624	-	-
CARES - Community Development Block Grants	D	14.218	129,791	-	129,791	129,791	-	-
Total CFDA #14.218			<u>793,833</u>	<u>83,918</u>	<u>745,467</u>	<u>745,467</u>	<u>35,552</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>793,833</u>	<u>83,918</u>	<u>745,467</u>	<u>745,467</u>	<u>35,552</u>	<u>-</u>
U.S. Department of the Interior								
Passed through Pennsylvania Historic and Museum Commission Historical Preservation	I	15.904	16,000	6,231	9,769	9,769	-	-
TOTAL U.S. DEPARTMENT OF THE INTERIOR			<u>16,000</u>	<u>6,231</u>	<u>9,769</u>	<u>9,769</u>	<u>-</u>	<u>-</u>
U.S. Department of Justice								
Edward Bryne Memorial Justice Assistance Grant Program	D	16.738	4,402	3,092	1,310	1,310	-	-
Passed through Pennsylvania Emergency Management Agency Emergency Federal Law Enforcement Assistance	I	16.824	32,261	-	32,261	32,261	-	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>36,663</u>	<u>3,092</u>	<u>33,571</u>	<u>33,571</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation								
Passed through Pennsylvania Department of Transportation National Priority Safety Program	I	20.616	54,698	-	63,801	63,801	9,103	-
Alcohol Impaired Driving Incentive	I	20.616	13,562	13,562	-	-	-	-
Total CFDA #20.616			<u>68,260</u>	<u>13,562</u>	<u>63,801</u>	<u>63,801</u>	<u>9,103</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>68,260</u>	<u>13,562</u>	<u>63,801</u>	<u>63,801</u>	<u>9,103</u>	<u>-</u>
U.S. Department of Treasury								
Coronavirus State and Local Fiscal Recovery Funds	D	21.027	9,920,145	-	398,038	398,038	(9,522,107)	-
TOTAL U.S. DEPARTMENT OF TREASURY			<u>9,920,145</u>	<u>-</u>	<u>398,038</u>	<u>398,038</u>	<u>(9,522,107)</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 10,834,901</u>	<u>\$ 106,803</u>	<u>\$ 1,250,646</u>	<u>\$ 1,250,646</u>	<u>\$ (9,477,452)</u>	<u>\$ -</u>

TOWNSHIP OF HAVERFORD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the Township of Haverford, Havertown, Pennsylvania. The Township's reporting entity is defined in Note 1 of the Township's financial statements. All federal awards received are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when realized.

NOTE 3 INDIRECT COST RATE

The Township did not use the federal de minimis indirect cost rate of 10 percent on their federal grants for the year ended December 31, 2021.

TOWNSHIP OF HAVERFORD
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 DECEMBER 31, 2021

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major program:

- 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 program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major program:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
21.027	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? X Yes _____ No

TOWNSHIP OF HAVERFORD
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)
DECEMBER 31, 2021

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.