

STATE OF CONNECTICUT



*Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards*

*Office of the State Treasurer
for the Fiscal Year Ended June 30, 2020*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

ROBERT J. KANE

December 31, 2020

Governor Ned Lamont
Members of the General Assembly
State Treasurer Shawn T. Wooden:

Letter of Transmittal

We have audited the financial statements and certain other information of the Treasurer of the State of Connecticut pertaining to the Combined Investment Funds, Short-Term Investment Fund, Second Injury Fund, Non-Civil List Trust Funds, Civil List Funds, and debt. We have issued our Independent Auditors' Report dated December 31, 2020, which is included within the Treasurer's Annual Report and accompanies the financial statements and related notes to the financial statements. The Treasurer's Annual Report and our audit work were required in accordance with Sections 3-37, and 2-90 (b), of the General Statutes, respectively.

We have conducted our audit in accordance with 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. We considered internal control over financial reporting as well as compliance with laws, regulations and other requirements that could have a direct and material effect on the financial statement amounts, in accordance with these standards. We are issuing our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 31, 2020. Also within this report is the State Auditors' Findings and Recommendations, which detail the findings and recommendations for corrective action.

We wish to express our appreciation for the cooperation and courtesies shown to our representatives by the personnel of the Office of the State Treasurer during the course of our examination.

A handwritten signature in black ink, appearing to read "John C. Geragosian".

John C. Geragosian
State Auditor

A handwritten signature in black ink, appearing to read "Robert J. Kane".

Robert J. Kane
State Auditor

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Governor Ned Lamont
Members of the General Assembly
State Treasurer Shawn T. Wooden:

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 Combined Investment Funds, which comprise the statement of net position as of June 30, 2020, the statement of changes in net position for the fiscal year ended June 30, 2020, and the related notes to the financial statements. We have audited the financial statements of the Short-Term Investment Fund, which comprise the statement of net position as of June 30, 2020, the statement of changes in net position for the fiscal year ended June 30, 2020, and the related notes to the financial statements. We have audited the financial statements of the Second Injury Fund, which comprise the statement of net position as of June 30, 2020 and the related statements of revenues, expenses and changes in net position and the statement of cash flows for the fiscal year ended June 30, 2020, and the related notes to the financial statements. We have audited the statement of net position of the other Non-Civil List Trust Funds as of June 30, 2020, together with the related statement of revenue and expenditures, and statement of changes in net position and the statement of cash flows for the other Non-Civil List Trust Funds and the related notes to the financial statements for the fiscal year ended June 30, 2020. We have audited the schedule of Civil List Funds investments and the summary schedule of cash receipts and disbursements of the Civil List Funds for the fiscal year ended June 30, 2020. We have audited the schedule of debt outstanding and the changes in debt outstanding for the fiscal year ended June 30, 2020. This information is included in the State Treasurer's Annual Report for the fiscal year ended June 30, 2020. We have issued our report thereon dated December 31, 2020.

Internal Control over Financial Reporting

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

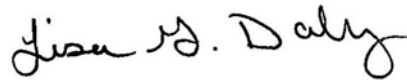
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State Treasurer's financial statements are free of 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 Treasurer'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 Treasurer's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of the Governor, General Assembly and the State Treasurer; however, this report is a matter of public record and its distribution is not limited.



Lisa G. Daly
Administrative Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor

December 31, 2020
State Capitol
Hartford, Connecticut

State Auditors' Findings and Recommendations

Our review did not identify any areas that required disclosure or corrective action.

Recommendations

We presented no recommendations in our Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended June 30, 2019 Office of the State Treasurer.