

# OFFICE OF FISCAL ANALYSIS

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sHB-5275

AN ACT CONCERNING AUDITS OF CERTAIN NONSTATE ENTITIES RECEIVING STATE FINANCIAL ASSISTANCE.

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## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 25 \$</b>	<b>FY 26 \$</b>
Various Municipalities; Local and Regional School Districts	Potential Savings	See Below	See Below

## ***Explanation***

The bill increases the threshold for which a State Single Audit or program-specific audit is required from \$300,000 to \$500,000 in annual expenditures of state financial assistance. It also provides clarification that the extension due date granted for submitting the State Single Audit or program-specific audit cannot exceed twelve months from the grant recipient's fiscal year end. The bill results in savings to municipalities and regional school districts (RSDs) that spend less than \$500,000 of state funds annually, as the municipality will not be required to conduct certain audits per the bill's updated provisions. Currently, this is expected to impact eight municipalities and six RSDs.

## ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.