

**TOWN OF VERNON, CONNECTICUT**

**FEDERAL AND STATE  
SINGLE AUDITS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**TOWN OF VERNON, CONNECTICUT**  
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**FOR THE YEAR ENDED JUNE 30, 2019**

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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***

To the Town Council  
Town of Vernon, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vernon, Connecticut (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 27, 2020.

**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) 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 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.

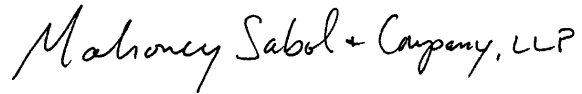
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Mahoney Sabol + Company, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants  
Glastonbury, Connecticut  
March 27, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Town Council  
Town of Vernon, Connecticut

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Vernon, Connecticut's (the "Town"), compliance with the types of compliance requirements described 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, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town of Vernon, Connecticut, complied, in all material respects, with the types of 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, 2019.

## **Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 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.

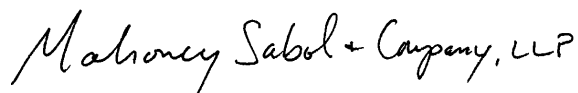
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

### **Purpose of this Report**

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, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 27, 2020, 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. 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 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants  
Glastonbury, Connecticut  
March 27, 2020

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grantor; Program Title	Grant Number	Federal CFDA Number	Grant Expenditures
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
<b>Child Nutrition Cluster:</b>			
<b>Passed through the Connecticut Department of Administrative Services:</b>			
National School Lunch Program - USDA Commodities	-	10.555	\$ 83,355
<b>Passed through the Connecticut Department of Education:</b>			
National School Lunch Program	12060-SDE64370-20560	10.555	780,805
School Breakfast Program	12060-SDE64370-20508	10.553	248,201
Summer Food Service Program	12060-SDE64370-20540	10.559	17,258
Summer Food Service Program - Administration	12060-SDE64370-20548	10.559	259
Total Child Nutrition Cluster			1,129,878
<b>TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE</b>			1,129,878
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Passed through the Connecticut Department of Housing:</b>			
Community Development Block Grants	12060-DOH46930-20730	14.228	5,800
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
<b>Direct:</b>			
Bulletproof Vest Partnership Program	-	16.607	2,666
<b>Passed through the Connecticut Office of Policy and Management:</b>			
Edward Bryne Memorial Justice Assistance Grant	12060-OPM20350-21921	16.738	15,000
<b>TOTAL UNITED STATES DEPARTMENT OF JUSTICE</b>			17,666
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
<b>Highway Planning and Construction Cluster:</b>			
<b>Passed through the Connecticut Department of Transportation:</b>			
Highway Planning and Construction - Pleasantview Drive Bridge	12062-DOT57191-22108	20.205	996,074
Highway Planning and Construction - South Street Reconstruction	12062-DOT57191-22108	20.205	372,645
Highway Planning and Construction - Main Street Bridge	12062-DOT57191-22108	20.205	9,804
Total Highway Planning and Construction Cluster			1,378,523
Federal Highway Safety Programs	12062-DOT57513-20559	20.600	7,466
Alcohol Open Container Requirements	12062-DOT57513-22091	20.607	29,744
<b>TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			1,415,733
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<b>Special Education Cluster:</b>			
<b>Passed through the Connecticut Department of Education:</b>			
Special Education - State Grants - 2019	12060-SDE64370-20977	84.027	633,153
Special Education - State Grants - 2018	12060-SDE64370-20977	84.027	148,865
Special Education - Preschool Grants - 2019	12060-SDE64370-20983	84.173	10,113
Special Education - Preschool Grants - 2018	12060-SDE64370-20983	84.173	45,340
Total Special Education Cluster			837,471
<b>Passed through the Connecticut Department of Education:</b>			
Adult Basic Education	12060-SDE64370-20784	84.002	182,345
Title I Grants to Local Educational Agencies - 2019	12060-SDE64370-20679-82070	84.010	457,457
Title I Grants to Local Educational Agencies - 2018	12060-SDE64370-20679-82070	84.010	76,665
Title I Grants to Local Educational Agencies - 2017	12060-SDE64370-20679-82071	84.010	39,974
			574,096
Career and Technical Education	12060-SDE64370-20742	84.048	45,937
Education of Homeless Children and Youth	12060-SDE64370-20770	84.196	48,210
			(Continued)

*The accompanying notes are an integral part of this schedule.*

**TOWN OF VERNON, CONNECTICUT**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2019

Grantor; Program Title	Grant Number	Federal CFDA Number	Grant Expenditures
<b>UNITED STATES DEPARTMENT OF EDUCATION <i>(Continued)</i></b>			
<b>Passed through the Connecticut Department of Education <i>(Continued)</i> :</b>			
English Language Acquisition State Grants - 2019	12060-SDE64370-20868	84.365	\$ 5,461
English Language Acquisition State Grants - 2018	12060-SDE64370-20868	84.365	6,952
			<u>12,413</u>
Supprting Effective Instruction State Grant - 2019	12060-SDE64370-20858	84.367	58,248
Supprting Effective Instruction State Grant - 2018	12060-SDE64370-20858	84.367	32,103
			<u>90,351</u>
Student Support and Academic Enrichment	12060-SDE64370-22854	84.424	<u>35,529</u>
<b>Passed through the Connecticut Office of Early Childhood:</b>			
Preschool Development Grant	12060-OEC64845-22705	84.419	<u>652,512</u>
<b>TOTAL UNITED STATES DEPARTMENT OF EDUCATION</b>			<u>2,478,864</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed through North Central Regional Mental Health Board, Inc.:</b>			
Substance Abuse Prevention and Treatment Block Grant	-	93.959	<u>5,335</u>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>			
<b>Passed through the Connecticut Department of Emergency Services and Public Protection:</b>			
Emergency Management Performance Grant	12060-DPS32160-21881	97.042	<u>14,690</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u>\$ 5,067,966</u> <i>(Concluded)</i>

*The accompanying notes are an integral part of this schedule.*



**TOWN OF VERNON, CONNECTICUT**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - ACCOUNTING BASIS**

**BASIC FINANCIAL STATEMENTS**

The accounting policies of the Town of Vernon, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. These financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of federal awards.

**COST ALLOCATION PRINCIPLES**

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Town has no federal awards for which an indirect cost rate is applicable.

**NOTE 2 - OTHER FEDERAL ASSISTANCE**

The United States Department of Agriculture provides commodities to the Town's schools. An amount of \$83,355 has been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of such commodities received during the year ended June 30, 2019.

No other federal assistance was received in the form of loans, loan guarantees or insurance.

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

○ Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No

○ Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes    ✓ No

**FEDERAL AWARDS**

Internal control over major programs:

○ Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No

○ Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None

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 the Uniform Guidance, Section 200.516? \_\_\_\_\_ Yes    ✓ No

Identification of major programs:

CFDA Number	Name of Federal Program
20.205	Highway Planning and Construction Cluster
84.027/84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ ✓ Yes    \_\_\_\_\_ No

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE CONNECTICUT STATE SINGLE AUDIT ACT**

To the Town Council  
Town of Vernon, Connecticut

**Report on Compliance for Each Major Program**

We have audited the Town of Vernon, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the State of Connecticut, 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, 2019. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major State Program***

In our opinion, the Town of Vernon, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

## **Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 State Single Audit Act**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 27, 2020, 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 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. The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants  
Glastonbury, Connecticut  
March 27, 2020

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Sub-recipients	Grant Expenditures
<b>NONEXEMPT PROGRAMS:</b>			
<b>DEPARTMENT OF EDUCATION</b>			
<b>Direct:</b>			
Alliance District Program	11000-SDE64370-17041-82164	\$ -	\$ 1,728,954
Vocational Agriculture	11000-SDE64370-17017	-	256,626
Adult Education	11000-SDE64370-17030	-	213,468
Healthy Foods Initiative	11000-SDE64370-16212	-	31,991
Youth Services Bureau	11000-SDE64370-17052	-	21,135
School Breakfast Program	11000-SDE64370-17046	-	20,285
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	16,790
Talent Development	11000-SDE64370-12552	-	6,818
Youth Services Bureau Enhancement	11000-SDE64370-16201	-	5,734
<b>Total Department of Education</b>		<u>-</u>	<u>2,301,801</u>
<b>DEPARTMENT OF SOCIAL SERVICES</b>			
<b>Direct:</b>			
Medicaid	11000-DSS60000-16020	-	169,473
<b>DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT</b>			
<b>Direct:</b>			
Urban Action Bonds	13019-ECD46000-41240	-	28,595
Brownfield Remediation and Development Grant	12060-ECD46260-35533	-	17,676
<b>Total Department of Economic and Community Development</b>		<u>-</u>	<u>46,271</u>
<b>DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION</b>			
<b>Direct:</b>			
Clean Water Fund - Loan Portion	21014-DEP43720-40001	-	3,357,329
Clean Water Fund - Grant Portion	21014-DEP43720-40001	-	1,456,045
Flood Control	17081-DEP43740-43345	-	441,728
<b>Total Department of Energy and Environmental Protection</b>		<u>-</u>	<u>5,255,102</u>
<b>DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION</b>			
<b>Direct:</b>			
Drug Asset Forfeiture	12060-DPS32155-35142	-	4,021
Telecommunications Fund	12060-DPS32741-35190	-	829
		<u>-</u>	<u>4,850</u>
<b>Passed through the Town of Manchester:</b>			
Drug Asset Forfeiture	12060-DPS32155-35142	-	4,090
<b>Total Department of Emergency Services and Public Protection</b>		<u>-</u>	<u>8,940</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
<b>Direct:</b>			
Town Aid Road Grant	12052-DOT57131-43455	-	221,494
Town Aid Road Grant - STO	13033-DOT57131-43459	-	201,747
Bus Operations	12001-DOT57391-12175	-	31,441
Capital Resurfacing Related Improvements	13033-DOT57251-41386	-	5,525
<b>Total Department of Transportation</b>		<u>-</u>	<u>460,207</u>

*(Continued)*

*The accompanying notes are an integral part of this schedule.*

**TOWN OF VERNON, CONNECTICUT**  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE *(Continued)*  
 FOR THE YEAR ENDED JUNE 30, 2019

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Sub recipients	Grant Expenditures
<b>NONEXEMPT PROGRAMS: <i>(Continued)</i></b>			
<b>DEPARTMENT OF JUSTICE</b>			
<b>Direct:</b>			
Court Fees	34001-JUD95162-40001	\$ -	\$ 30,756
<b>CONNECTICUT STATE LIBRARY</b>			
<b>Direct:</b>			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	6,500
Connecticard Payments	11000-CSL66051-17010	-	807
		-	7,307
<b>OFFICE OF POLICY AND MANAGEMENT</b>			
<b>Direct:</b>			
Payment in Lieu of Taxes on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	219,351
Local Capital Improvement Program	12050-OPM20600-40254	-	145,716
Payment in Lieu of Taxes on State Owned Property	11000-OPM20600-17004	-	123,084
Municipal Grants-In-Aid	12052-OPM20600-43587	-	71,618
Property Tax Relief for Veterans	11000-OPM20600-17024	-	18,797
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	3,439
<b>Total Office of Policy and Management</b>		-	582,005
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>			
<b>Direct:</b>			
Alliance District Funding - Capital Grant	12052-DAS27635-43651	-	62,443
<b>OFFICE OF EARLY CHILDHOOD</b>			
<b>Direct:</b>			
Early Care and Education	11000-OEC64845-16274	160,632	310,389
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,850
Childcare Planning Grant	11000-OEC64806-12584	-	2,421
<b>Total Office of Early Childhood</b>		160,632	316,660
<b>Total State Financial Assistance Before Exempt Programs</b>		160,632	9,240,965
<b>EXEMPT PROGRAMS:</b>			
<b>DEPARTMENT OF EDUCATION</b>			
<b>Direct:</b>			
Education Cost Sharing	11000-SDE64370-17041-82010	-	17,658,498
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	848,015
<b>Total Department of Education</b>		-	18,506,513
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>			
<b>Direct:</b>			
School Construction Grants	13010-DAS27635-40901	-	669,386
<b>OFFICE OF POLICY AND MANAGEMENT</b>			
<b>Direct:</b>			
Municipal Stabilization Grant	11000-OPM20600-17104	-	330,755
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	79,820
<b>Total Office of Policy and Management</b>		-	410,575
<b>Total Exempt Programs</b>		-	19,586,474
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<b>\$ 160,632</b>	<b>\$ 28,827,439</b>

*(Concluded)*

*The accompanying notes are an integral part of this schedule.*

**TOWN OF VERNON, CONNECTICUT**  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2019

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Vernon, Connecticut (the "Town") under programs of the State of Connecticut for the fiscal year ended June 30, 2019. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs 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 governmental organizations.

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. The following is a summary of the more significant policies relating to the aforementioned grant programs.

**BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

**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 Town has been entered into a project loan and grant agreement with the Department of Energy and Environmental Protection (CWF NO. 705-DC) under the clean water fund program. The agreement provides for maximum borrowings under the project loan in the amount of \$47,819,947. The Town has reported expenditures in the amount of \$3,357,329 in the accompanying schedule of state financial assistance, which represents the portion of project expenditures incurred during the year ended June 30, 2019 that have subsequently been funded by the project loan.

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes        ✓ No  
None

Significant deficiency(ies) identified? \_\_\_\_\_ Yes        ✓ Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        ✓ No

**STATE FINANCIAL ASSISTANCE**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes        ✓ No  
None

Significant deficiency(ies) identified? \_\_\_\_\_ Yes        ✓ 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 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ Yes        ✓ No

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

<b>State Grantor/ Program</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>Department of Education:</b>		
Alliance District Funding Program	11000-SDE64370-17041-82164	\$ 1,728,954
Vocational Agriculture	11000-SDE64370-17017	256,626
Adult Education	11000-SDE64370-17030	213,468
<b>Department of Energy and Environmental Protection:</b>		
Clean Water Fund - Loan Portion	21014-DEP43720-40001	3,357,329
Clean Water Fund - Grant Portion	21014-DEP43720-40001	1,456,045
Flood Control	17081-DEP43740-43345	441,728

Dollar threshold used to distinguish between Type A and Type B programs: \$200,000