

TOWN OF VERNON, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDITS**

FOR THE YEAR ENDED JUNE 30, 2021

TOWN OF VERNON, CONNECTICUT
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Page</u>
INTERNAL CONTROL AND COMPLIANCE REPORT	
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 <i>Government Auditing Standards</i>	1
FEDERAL SINGLE AUDIT SECTION	
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	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Federal Findings and Questioned Costs	8
STATE SINGLE AUDIT SECTION	
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 State Single Audit Act	9
Schedule of Expenditures of State Financial Assistance	11
Notes to Schedule of Expenditures of State Financial Assistance	13
Schedule of State Findings and Questioned Costs	14

**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, 2021, 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 31, 2022.

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) as a basis for designing 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 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 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
March 31, 2022

**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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 31, 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. 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 31, 2022

TOWN OF VERNON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed through the Connecticut Department of Education:			
National School Lunch Program - USDA Commodities	-	10.555	\$ 65,527
National School Lunch Emergency Operating Costs Reimbursement	12060-SDE64370-23085	10.555	66,281
Summer Food Service Program for Children	12060-SDE64370-20540	10.559	1,056,785
Summer Food Service Program for Children - Administration	12060-SDE64370-20548	10.559	108,948
Summer Food Service Program for Children - CARES Act	12060-SDE64370-29574	10.559	136,314
Summer Food Service Program for Children - Administration - CARES Act	12060-SDE64370-29573	10.559	6,028
National School Lunch Program - School Equipment	12060-SDE64370-22386	10.579	18,396
Total Child Nutrition Cluster			<u>1,458,279</u>
Passed through the Connecticut Department of Education:			
Fresh Fruit and Vegetable Program	-	10.582	50,000
Pandemic Electronic Benefit Transfer Administrative Costs	12060-SDE64370-29802	10.649	4,298
Total United States Department of Agriculture			<u>1,512,577</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Connecticut Department of Housing:			
Community Development Block Grants	12060-DOH46930-20730	14.228	71,382
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction Cluster:			
Passed through the Connecticut Department of Transportation:			
Highway Planning and Construction - Main Street Bridge	12062-DOT57191-22108	20.205	583,061
Highway Planning and Construction - Safe Routes to Schools	12062-DOT57141-22108	20.205	431,522
Highway Planning and Construction - South Street Reconstruction	12062-DOT57151-22108	20.205	12,327
Highway Planning and Construction - South Street Reconstruction	12062-DOT57141-22108	20.205	1,173
Total Highway Planning and Construction Cluster			<u>1,028,083</u>
Highway Safety Cluster:			
Passed through the Connecticut Department of Transportation:			
National Priority Safety Program	12062-DOT57513-22600	20.616	7,379
Federal Highway Safety Programs	12062-DOT57513-20559	20.600	2,819
Total Highway Safety Cluster			<u>10,198</u>
Passed through the Connecticut Department of Transportation:			
Alcohol Open Container Requirements	12062-DOT57513-22091	20.607	17,850
Total United States Department of Transportation			<u>1,056,131</u>
UNITED STATES DEPARTMENT OF THE TREASURY			
Passed through the Connecticut Office of Policy and Management:			
Coronavirus Relief Fund	12060-OPM20600-29561	21.019	344,225
Passed through Connecticut Department of Education:			
Coronavirus Relief Fund	12060-SDE64370-29561	21.019	203,685
Passed through the Connecticut State Library:			
Coronavirus Relief Fund - Everybody Learns	12060-CSL66011-29561	21.019	34,788
Total United States Department of Treasury			<u>582,698</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Special Education Cluster:			
Passed through the Connecticut Department of Education:			
Special Education - State Grants - 2021	12060-SDE64370-20977	84.027	766,074
Special Education - State Grants - 2020	12060-SDE64370-20977	84.027	152,937
Special Education - State Grants - Cognitive Disabilities Stipend	12060-SDE64215-20977	84.027	227
Special Education - Preschool Grants - 2021	12060-SDE64370-20983	84.173	31,043
Special Education - Preschool Grants - 2020	12060-SDE64370-20983	84.173	30,728
Total Special Education Cluster			<u>981,009</u>

(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, 2021

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION (Continued)			
Passed through the Connecticut Department of Education:			
Title I - Grants to Local Educational Agencies - 2021	12060-SDE64370-20679-82070	84.010	\$ 576,916
Title I - Grants to Local Educational Agencies - 2020	12060-SDE64370-20679-82070	84.010	167,442
Title I - Grants to Local Educational Agencies - 2019	12060-SDE64370-20679-82070	84.010	5,393
			<u>749,751</u>
Student Support and Academic Enrichment Program - 2021	12060-SDE64370-22854	84.424	39,826
Student Support and Academic Enrichment Program - 2020	12060-SDE64370-22854	84.424	35,463
			<u>75,289</u>
English Language Acquisition State Grants - 2021	12060-SDE64370-20868	84.365	14,931
English Language Acquisition State Grants - 2020	12060-SDE64370-20868	84.365	2,104
			<u>17,035</u>
Supporting Effective Instruction State Grants - 2021	12060-SDE64370-20858	84.367	84,787
Supporting Effective Instruction State Grants - 2020	12060-SDE64370-20858	84.367	5,655
			<u>90,442</u>
Elementary & Secondary School Emergency Relief Fund (ESSER) - 2021	12060-SDE64370-29571	84.425D	265,176
Elementary & Secondary School Emergency Relief Fund (ESSER) - 2020	12060-SDE64370-29571	84.425D	376,654
			<u>641,830</u>
Career and Technical Education - Basic Grants to States - 2021	12060-SDE64370-20742	84.048	36,482
Career and Technical Education - Basic Grants to States - 2020	12060-SDE64370-20742	84.048	30,523
			<u>67,005</u>
Adult Education - Basic Grants to States	12060-SDE64370-20784	84.002	188,000
Education of Homeless Children and Youth	12060-SDE64370-20770	84.196	55,000
Total United States Department of Education			<u>2,865,361</u>
UNITED STATES ELECTION ASSISTANCE COMMISSION			
Passed through the Connecticut Secretary of State:			
Help America Vote Act	12060-SOS12500-21465	90.401	16,118
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Aging Cluster:			
Passed through the Connecticut Department of Aging and Disability Services:			
Special Programs for the Aging, Title III, Part B - CARES Act	12060-SDR63901-29556	93.044	2,122
Passed through Connecticut Department of Mental Health and Addiction Services:			
Block Grants for Prevention and Treatment of Substance Abuse	-	93.959	5,342
Passed through Connecticut Council on Developmental Disabilities:			
Developmental Disabilities Basic Support Grant	-	93.630	40,000
Total United States Department of Health and Human Services			<u>47,464</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Direct:			
Assistance to Firefighters Grant	-	97.044	4,867
Passed through the Connecticut Department of Emergency Services and Public Protection:			
Disaster Grants - Public Assistance - COVID-19	12060-DPS32990-21891	97.036	11,552
Disaster Grants - Public Assistance - Isaias	12060-DPS32990-21891	97.036	77,061
			<u>88,613</u>
Emergency Management Performance Grant	12060-DPS32160-21881	97.042	15,491
Total United States Department of Homeland Security			<u>108,971</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 6,260,702</u>

(Concluded)

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, 2021

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 \$65,527 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, 2021.

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

NOTE 3 - PASS-THROUGH TO SUBRECIPIENTS

The Town did not pass through any federal awards to subrecipient organizations.

TOWN OF VERNON, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - 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 reported

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 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 2 CFR Section 200.516(a)? _____ Yes ✓ No

Identification of major programs:

CFDA Number	Name of Federal Program
10.553/10.555/10.559/10.579 21.019	Child Nutrition Cluster Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? _____ ✓ Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**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 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 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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 31, 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 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 31, 2022

TOWN OF VERNON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Alliance District	11000-SDE64370-17041-82164	\$ -	\$ 2,534,773
Vocational Agriculture	11000-SDE64370-17017	-	293,594
Adult Education	11000-SDE64370-17030	-	187,973
Healthy Foods Initiative	11000-SDE64370-16212	-	31,721
School Breakfast	11000-SDE64370-17046	-	19,009
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	17,117
Open Choice	11000-SDE64370-17053-82060	-	15,451
Talent Development	11000-SDE64370-12552	-	3,011
Sheff Settlement	11000-SDE64370-12457-82160	-	1,500
Total Department of Education		-	3,104,149
DEPARTMENT OF SOCIAL SERVICES			
Direct:			
Medicaid	11000-DSS60000-16020	-	121,700
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT			
Direct:			
Brownfield Remediation and Development Grant	12060-ECD46260-35533	-	3,890
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION			
Direct:			
Clean Water Fund - Grant Portion	21014-DEP43720-40001	-	7,098,119
Clean Water Fund - Loan Portion	21015-DEP43720-42318	-	16,405,587
		-	23,503,706
Aquatic Invasive Species Grant Program	12060-DEP44140-35667	-	6,673
Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363	-	5,681
Total Department of Energy and Environmental Protection		-	23,516,060
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION			
Direct:			
Fire School Training & Education Extension	12060-DPS32251-35180	-	1,125
Passed through the Town of Manchester:			
Drug Asset Forfeiture	12060-DPS32155-35142	-	4,919
Total Department of Emergency Services and Public Protection		-	6,044
DEPARTMENT OF TRANSPORTATION			
Direct:			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	-	120,374
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459-34005	-	120,373
Bus Operations	12001-DOT57342-12175	-	31,441
Capital Resurfacing Related Improvements	13033-DOT57251-41386	-	33,215
Total Department of Transportation		-	305,403
DEPARTMENT OF JUSTICE			
Direct:			
Court Fees	34001-JUD95162-40001-089	-	12,624
CONNECTICUT STATE LIBRARY			
Direct:			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	8,500
Connecticard Payments	11000-CSL66051-17010	-	317
Total Connecticut State Library		-	8,817

(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, 2021

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS: (Continued)			
DEPARTMENT OF ADMINISTRATIVE SERVICES			
Direct:			
Alliance District General Improvements	12052-DAS27635-43651	\$ -	\$ 190,231
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Local Capital Improvement Program	12050-OPM20600-40254	-	160,640
Payment in Lieu of Taxes on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	219,351
Municipal Grants-In-Aid	12052-OPM20600-43587	-	230,251
Payment in Lieu of Taxes on State Owned Property	11000-OPM20600-17004	-	123,084
Property Tax Relief for Veterans	11000-OPM20600-17024	-	18,227
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	3,678
Total Office of Policy and Management		<u>-</u>	<u>755,231</u>
DEPARTMENT OF CHILDREN AND FAMILIES			
Direct:			
Youth Services Bureau	11000-DCF91141-17052	-	21,324
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	10,734
Total Department of Children and Families		<u>-</u>	<u>32,058</u>
OFFICE OF EARLY CHILDHOOD			
Direct:			
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274-83013	160,632	312,780
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,881
Total Office of Early Childhood		<u>160,632</u>	<u>316,661</u>
Total State Financial Assistance Before Exempt Programs		<u>160,632</u>	<u>28,372,868</u>
EXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Education Cost Sharing	11000-SDE64370-17041-82010	-	17,647,952
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	845,496
Total Department of Education		<u>-</u>	<u>18,493,448</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES			
Direct:			
School Construction Grants	13010-DAS27636-40901	-	4,266
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Municipal Stabilization Grant	11000-OPM20600-17104	-	330,755
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	79,820
Total Office of Policy and Management		<u>-</u>	<u>410,575</u>
Total Exempt Programs		<u>-</u>	<u>18,908,289</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 160,632</u>	<u>\$ 47,281,157</u>

(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, 2021

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, 2021. 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 entered into a project loan and grant agreement with the Department of Energy and Environmental Protection under the clean water fund program. The agreement provides for maximum borrowings under the project loan in the amount of \$47,819,948. The Town has reported expenditures in the amount of \$16,405,587 in the accompanying schedule of state financial assistance, which represents the portion of project expenditures incurred during the year ended June 30, 2021. The following is a summary of the loan activity for the year ended June 30, 2021:

Department of Energy and Environmental Protection: Clean Water Fund Loan

<u>Project</u>	<u>Interest Rate</u>	<u>Maximum Borrowings</u>	<u>Balance July 1, 2020</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Balance June 30, 2021</u>
705-DC	2.0%	\$ 47,819,948	\$ 8,702,093	\$ 16,454,830	\$ -	\$ 25,156,923

TOWN OF VERNON, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - 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 ✓ Reported

Noncompliance material to financial statements noted? _____ Yes ✓ No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

Material weakness(es) identified? _____ Yes ✓ No

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:

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
Department of Energy and Environmental Protection:		
Clean Water Fund - Loan Portion	21015-DEP43720-42318	\$ 16,405,587
Clean Water Fund - Grant Portion	21014-DEP43720-40001	7,098,119
		\$ 23,503,706

Dollar threshold used to distinguish between Type A and Type B programs: \$567,457

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.