

TOWN OF MONTVILLE, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDITS

FOR THE YEAR ENDED JUNE 30, 2019

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TOWN OF MONTVILLE, CONNECTICUT
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2019

	<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 Connecticut 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 Honorable Mayor and
Members of the Town Council
Town of Montville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montville, 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 December 23, 2019.

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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 23, 2019

**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 Honorable Mayor and
Members of the Town Council
Town of Montville, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Montville, 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 Montville, 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, the 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 December 23, 2019, 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 23, 2019

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

Grantor; Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed through the State of Connecticut			
Department of Administrative Services:			
National School Lunch Program - USDA Commodities	-	10.555	\$ 42,855
Passed through the State of Connecticut			
Department of Education:			
National School Lunch Program - 2019	12060-SDE64370-20560	10.555	377,682
National School Breakfast Program - 2019	12060-SDE64370-20508	10.553	85,432
National School Breakfast Program - 2018	12060-SDE64370-20508	10.553	9,514
Summer Food Service Program for Children	12060-SDE64370-20540	10.559	35,635
Summer Food Service Program for Children	12060-SDE64370-20548	10.559	3,683
Total Child Nutrition Cluster			<u>554,801</u>
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Discretionary Grant - 2019	12060-SDE64370-22386	10.579	14,042
Child Nutrition Discretionary Grant - 2018	12060-SDE64370-22386	10.579	158
Child Nutrition Discretionary Grant	12060-SDE64165-26130	10.579	837
			<u>15,037</u>
Total Department of Agriculture			<u>569,838</u>
U.S. DEPARTMENT OF EDUCATION			
Special Education Cluster:			
Passed through the State of Connecticut			
Department of Education:			
Special Education Grants to States - 2019	12060-SDE64370-20977	84.027	517,819
Special Education Grants to States - 2018	12060-SDE64370-20977	84.027	86,401
Special Education Preschool Grants - 2019	12060-SDE64370-20983	84.173	13,898
Total Special Education Cluster			<u>618,118</u>
Passed through the State of Connecticut			
Department of Education:			
Title I Grants to Local Educational Agencies - 2019	12060-SDE64370-20679	84.010	275,720
Title I Grants to Local Educational Agencies - 2018	12060-SDE64370-20679	84.010	82,021
			<u>357,741</u>
Supporting Effective Instruction State Grants - 2019	12060-SDE64370-20858	84.367	55,859
Supporting Effective Instruction State Grants - 2018	12060-SDE64370-20858	84.367	17,413
			<u>73,272</u>
English Language Acquisition Grants - 2019	12060-SDE64370-20868	84.365	12,716
English Language Acquisition Grants - 2018	12060-SDE64370-20868	84.365	2,260
			<u>14,976</u>
Career and Technical Education - Basic Grants to States	12060-SDE64370-20742	84.048	27,447
Student Support and Academic Enrichment Grant	12060-SDE64370-22854	84.424	19,946
Temporary Emergency Impact Aid for Displaced Students	12060-SDE64370-22911	84.938	4,500
Total Department of Education			<u>1,116,000</u>

(Continued)

The accompanying notes are an integral part of this schedule.

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

Grantor; Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the State of Connecticut Department of Emergency Services and Public Protection:			
Emergency Management Performance Grant	12060-DPS32160-21881	97.042	\$ 9,856
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the State of Connecticut Department of Transportation:			
Alcohol Open Container Requirements	12062-DOT57513-22091	20.607	23,811
Highway Planning and Construction	12062-DOT57513-22108	20.205	8,407
National Priority Safety Programs	12062-DOT57513-22600	20.616	1,250
Total Department of Transportation			33,468
U.S. OFFICE OF POLICY AND MANAGEMENT			
Passed through the State of Connecticut Office of Policy and Management:			
Juvenile Justice and Delinquency Prevention	12060-OPM20350-21676	16.540	1,887
TOTAL FEDERAL AWARDS EXPENDED			\$ 1,731,049
			<i>(Concluded)</i>

The accompanying notes are an integral part of this schedule.

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

NOTE 1 - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of the Town of Montville, 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 \$42,855 is reflected in the expenditures column in the accompanying schedule of expenditures of federal awards and represents the 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 MONTVILLE, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

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 the Uniform Guidance, Section 510(a)? _____ Yes ✓ No

Identification of major programs:

CFDA Number	Name of Federal Program
10.553/10.555/10.559	Child Nutrition Cluster

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

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

II. FINANCIAL STATEMENT FINDINGS

No findings are reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No prior audit findings 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 CONNECTICUT STATE SINGLE AUDIT ACT**

To the Honorable Mayor and
Members of the Town Council
Town of Montville, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Montville, 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 Montville, 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.

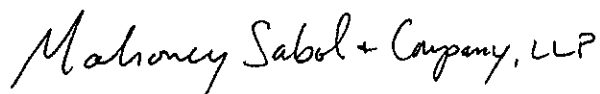
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the State Single Audit Act

We have audited the financial statements of the governmental activities, the 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 December 23, 2019, 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. 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 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
December 23, 2019

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

<u>State Grantor; Pass-Through Grantor; Program Title</u>	<u>State Grant Program Core - CT Number</u>	<u>Expenditures</u>
NONEXEMPT PROGRAMS:		
OFFICE OF POLICY AND MANAGEMENT		
Direct:		
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	\$ 1,079,480
Municipal Grants-In-Aid	12052-OPM20600-43587	528,644
Local Capital Improvement Program	12050-OPM20600-40254	155,968
Property Tax Relief for Veterans	11000-OPM20600-17024	10,935
Property Tax Relief for the Totally Disabled Persons	11000-OPM20600-17011	3,115
Total Office of Policy and Management		<u>1,778,142</u>
DEPARTMENT OF EDUCATION		
Direct:		
Magnet Schools	11000-SDE64370-17057	71,500
Adult Education	11000-SDE64370-17030	34,296
Health Services	11000-SDE64370-17034	26,596
Healthy Foods Initiative	11000-SDE64370-16212	19,536
Youth Services Bureau	11000-SDE64370-17052	17,349
School Breakfast Program	11000-SDE64370-17046	14,489
Child Nutrition State Matching Grant	11000-SDE64370-16211	10,254
Youth Services Bureau Enhancement	11000-SDE64370-16201	5,753
Total Department of Education		<u>199,773</u>
DEPARTMENT OF TRANSPORTATION		
Direct:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	132,901
Bus Operations	12001-DOT57931-12175	75,150
Local Transportation Capital Improvement Program	13033-DOT57197-43584	40,958
Total Department of Transportation		<u>249,009</u>
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION		
Direct:		
Nuclear Emergency Safety Fund	12060-DPS32982-90428	7,699
Drug Asset Forfeiture	12060-DPS32155-35142	454
Total Department of Emergency Services and Public Protection		<u>8,153</u>
OFFICE OF THE STATE TREASURER		
Direct:		
Nitrogen Credit Exchange Program	21016-OTT14230-42407	12,419
CONNECTICUT STATE LIBRARY		
Direct:		
Historic Documents Preservation Grants	12060-CSL66094-35150	4,500

(Continued)

The accompanying notes are an integral part of this schedule.

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

<u>State Grantor; Pass-Through Grantor; Program Title</u>	<u>State Grant Program Core - CT Number</u>	<u>Expenditures</u>
NONEXEMPT PROGRAMS: (Continued)		
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION		
Direct:		
Small Town Economic Assistance Program	12052-DEP43930-40531	\$ 842,345
WPCF Improvements	12052-DEP43720-43175	793,557
Total Department of Energy and Environmental Protection		<u>1,635,902</u>
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
Direct:		
Urban Action Bonds	13019-ECD46000-41240	334,067
Brownfield Assessment and Cleanup Cooperative	12060-ECD46260-35533	323,053
Total Department of Economic and Community Development		<u>657,120</u>
Total State Assistance Before Exempt Programs		<u>4,545,018</u>
EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Education Cost Sharing	11000-SDE64370-17041-82010	12,577,047
Excess Costs Student Based and Equity	11000-SDE64370-17047	430,579
Total Department of Education		<u>13,007,626</u>
OFFICE OF POLICY AND MANAGEMENT		
Direct:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	946,162
Municipal Stabilization Grant	11000-OPM20600-17104	20,897
		<u>967,059</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Direct:		
School Construction Grants	13010-DAS27636-40901	446,434
Total Exempt Programs		<u>14,421,119</u>
		<u>\$ 18,966,137</u>
		<i>(Concluded)</i>

The accompanying notes are an integral part of this schedule.

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

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Montville, 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 PROGRAMS

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 following is a summary of loan activity for the year ended June 30, 2019:

Department of Energy and Environmental Protection – Clean Water Funds:

<u>Loan No.</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance July 1, 2018</u>	<u>Loan Repayments</u>	<u>Balance June 30, 2019</u>
662-DC	1/30/2015	2.0%	\$ 245,631	\$ 203,026	\$ 10,811	\$ 192,215

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

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

STATE FINANCIAL ASSISTANCE

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 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:

<u>State Grantor/ Program</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Office of Policy and Management		
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	\$ 1,079,480
Department of Energy and Environmental Protection		
Small Town Economic Assistance Program	12052-DEP43930-40531	842,345
Department of Economic and Community Development		
Urban Action Bonds	13019-ECD46000-41240	334,067
Brownfield Assessment and Cleanup Cooperative	12060-ECD46260-35533	323,053

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

II. FINANCIAL STATEMENT FINDINGS

No findings are reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No prior audit findings were reported.