

**Federal Single Audit
and
State Single Audit
of the
Town of Colchester, Connecticut
For the Year Ended June 30, 2021**

**Town of Colchester, Connecticut
For the Year Ended June 30, 2021**

Table of Contents

	<u>Page</u>
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>	1-2

Federal Single Audit

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6-8
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10

State Single Audit

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	11-13
Schedule of Expenditures of State Financial Assistance	14-15
Notes to Schedule of Expenditures of State Financial Assistance	16
Schedule of Findings and Questioned Costs	17

**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***

Independent Auditors' Report

**Board of Finance
Town of Colchester, 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 Colchester, Connecticut ("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 February 25, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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.

**Board of Finance
Town of Colchester, Connecticut**

Page 2

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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

Federal Single Audit

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

**Board of Finance
Town of Colchester, Connecticut**

Report on Compliance for Each Major Federal Program

We have audited the Town of Colchester, Connecticut's ("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 auditors' results section of the accompanying schedule of 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.

Auditors' 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.

**Board of Finance
Town of Colchester, Connecticut**

Page 2

Opinion on Each Major Federal Program

In our opinion, the Town 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.

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.

**Board of Finance
Town of Colchester, Connecticut**

Page 3

Report on the 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 of Colchester, Connecticut, 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 February 25, 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 Town's 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

Town of Colchester, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Awarding Agency/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture:</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$128,847
COVID-19 School Breakfast Program	10.553	State Department of Education	12060-SDE64370-29576	-	3,833
National School Lunch Program - Cash	10.555	State Department of Education	12060-SDE64370-20560	-	365,679
COVID-19 National School Lunch Program	10.555	State Department of Education	12060-SDE64370-29572	-	26,453
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	53,483
Total U.S. Department of Agriculture					\$ 578,295
<u>U.S. Department of Justice:</u>					
Juvenile Justice and Delinquency Prevention	16.540	Connecticut Youth Services Association	N/A	-	4,500
<u>U.S. Department of Labor:</u>					
COVID-19 Unemployment Insurance	17.225	State Department of Labor	N/A	-	71,939
<u>U.S. Department of Transportation:</u>					
Alcohol Open Container Requirements	20.607	State Department of Transportation	12062-DOT57513-22091	-	8,663
<u>U.S. Department of the Treasury:</u>					
Coronavirus Relief Fund		State Office of Policy and Management	12060-OPM20600-29561	-	126,769
Coronavirus Relief Fund		State Department of Education	12060-SDE64370-29561	-	156,090
Coronavirus Relief Fund		State Office of Early Childhood	12060-OEC64806-29561	-	2,000
Total U.S. Department of the Treasury	21.019				284,859
<u>U.S. Department of Education:</u>					
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2020	-	174,962
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2021	-	68,891
Total Title I Grants to Local Educational Agencies	84.010				243,853
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2019	-	5,966
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2020	-	53,176
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2021	-	469,524
Total Special Education - Grants to States (IDEA, Part B)	84.027				528,666
Special Education - Preschool Grants (IDEA)		State Department of Education	12060-SDE64370-20983-2020	-	21,810
Special Education - Preschool Grants (IDEA)		State Department of Education	12060-SDE64370-20983-2021	-	6,066
Total Special Education - Preschool grant (IDEA)	84.173				27,876
Total Special Education Cluster (IDEA)					556,542
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-170003-2019	-	3,550
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-170002-2020	-	4,945
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-170003-2020	-	46,316
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-170002-2021	-	26,943
Total Career and Technical Education - Basic Grants to States	84.048				81,754

N/A - Not available or applicable.

(Continued)

See Notes to Schedule of Expenditures of Federal Awards.

Town of Colchester, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
English Language Acquisition State Grants (Title III, Part A)		Eastconn	12060-SDE64370-20868-2020	\$ -	\$ 215
English Language Acquisition State Grants (Title III, Part A)		Eastconn	12060-SDE64370-20868-2021	-	<u>727</u>
Total English Language Acquisition State Grants (Title III, Part A)	84.365				\$ 942
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2019	-	4,065
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2020	-	44,246
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2021	-	<u>360</u>
Total Supporting Effective Instruction State Grants	84.367				48,671
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2020	-	5,425
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2021	-	<u>8,200</u>
Total Student Support and Academic Enrichment Program (Title IV)	84.424				13,625
Education Stabilization Fund					
COVID-19 Elementary and Secondary School Emergency Relief Fund		State Department of Education	12060-SDE64370-29571-2020	-	169,432
COVID-19 Elementary and Secondary School Emergency Relief Fund		State Department of Education	12060-SDE64370-29571-2021	-	<u>80,190</u>
Total COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D				249,622
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	State Department of Education	12060-SDE64370-29636-82065	-	<u>1,879</u>
Total Education Stabilization Fund					<u>251,501</u>
Total U.S. Department of Education					<u>1,196,888</u>
<u>U.S. Department of Health and Human Services:</u>					
Aging Cluster:					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		Eastern Connecticut Area Agency on Aging	N/A	-	14,120
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		State Department of Aging and Disability Services	12060-SDR63901-29556	-	<u>2,500</u>
Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044				16,620
Drug-Free Communities Support Program Grants	93.276	Direct Program	N/A	-	28,611
Every Student Succeeds Act/Preschool Development Grants	93.434	CT Council for Philanthropy	N/A	-	1,963
Voting Access for Individuals with Disabilities- Grants for Protection Advocacy Systems	93.618	Secretary of the State	120060-SOS12500-21465	-	<u>12,465</u>
Total U.S. Department of Health and Human Services					<u>59,659</u>

N/A - Not available or applicable.

(Continued)

Town of Colchester, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
<u>U.S. Department of Homeland Security</u>					
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-22520 DR 4500	\$ -	\$ 1,844
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-22520 DR 4580	-	<u>78,543</u>
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			<u> </u>	<u>\$ 80,387</u>
Total Federal Awards				<u><u>\$ -</u></u>	<u><u>\$ 2,285,190</u></u>

(Concluded)

N/A - Not available or applicable.

Town of Colchester, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

1. Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of Colchester, Connecticut ("Town") under programs of the federal government. The information in this Schedule is presented in accordance with the 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").

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, changes in fund balance, or cash flows of the Town.

2. Summary of significant accounting policies

- A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash federal awards at fair value

The Town received and expended \$53,483 of USDA donated commodities under the National School Lunch Program.

4. Prior year findings and questioned costs

There were no prior year audit findings or questioned costs.

Town of Colchester, Connecticut
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' report issued on compliance
for major programs:

Unmodified opinion

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)?

 yes x no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish
between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

II - Findings - Financial Statement Audit

None

III - Findings and Questioned Costs - Major Federal Award Programs Audit

None

**State
Single
Audit**

**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report
on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

**Board of Finance
Town of Colchester, Connecticut**

Report on Compliance for Each Major State Program

We have audited the Town of Colchester, Connecticut's ("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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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 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 our 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 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.

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.

**Board of Finance
Town of Colchester, Connecticut**

Page 3

Report on the Schedule of Expenditures of State Financial Assistance Required by the 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 of Colchester, Connecticut, 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 have issued our report thereon dated February 25, 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. 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

Town of Colchester, 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	Total Expenditures
<u>Department of Social Services:</u>			
Medicaid	11000-DSS60000-16020	\$ -	\$ 43,234
<u>Department of Education:</u>			
Talent Development	11000-SDE64370-12552	-	4,302
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	6,972
Healthy Foods Initiative	11000-SDE64370-16212	-	13,269
Adult Education	11000-SDE64370-17030	-	24,776
School Breakfast Program	11000-SDE64370-17046	-	10,862
<u>Department of Children and Families:</u>			
Youth Services Bureau	11000-DCF91141-17052	-	17,921
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	8,588
<u>Department of Transportation:</u>			
Transit District Grants and Loans Transportation Fund - Bus Operations	12001-DOT57931-12175	-	32,523
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	85,684
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	-	85,684
Local Bridge Program Transportation Fund	13033-DOT57191-43456	-	195,561
Local Transportation Capital Improvement Program	13033-DOT57197-43584	-	765,269
<u>Department of Energy and Environmental Protection:</u>			
Public, Educational and Governmental Programming and - Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363	-	64,700
<u>Office of Early Childhood:</u>			
School Readiness Quality Enhancement	11000-OEC64845-16158	-	3,881
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274	-	159,375
School Readiness in Competitive Grant Municipalities - Summer	11000-OEC64845-16274	-	1,275
<u>Office of Policy and Management:</u>			
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	-	74,928
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,499
Property Tax Relief for Veterans	11000-OPM20600-17024	-	4,349
Local Capital Improvement Program	12050-OPM20600-40254	-	114,912
Municipal Grants-In Aid	12052-OPM20600-43587	-	92,788
<u>Department of Public Safety:</u>			
School Security Competitive Grant Program	12052-DPS32161-43546	-	7,193
<u>Connecticut State Library:</u>			
Connecticard Payments	11000-CSL66051-17010	-	13,549
Historic Documents Preservation Grants	12060-CSL66094-35150	-	5,500
Total State Financial Assistance before Exempt Programs			1,838,594

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Colchester, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

<u>State Grantor/Pass through Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed through to Subrecipients</u>	<u>Total Expenditures</u>
<u>Exempt Programs:</u>			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041	\$ -	\$ 12,184,854
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	774,560
<u>Office of Policy and Management:</u>			
Municipal Stabilization Grant	11000-OPM20600-17104	-	134,167
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	23,167
Total Exempt Programs			<u>13,116,748</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 14,955,342</u>
(Concluded)			

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Colchester, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2021

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Colchester, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, public safety, public works, community and human services and education.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

3. 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 following is a summary of the various loan program activity:

Department of Energy and Environmental Protection:

Clean Water Funds: (21015-DEP43000-42318)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2020	Reductions	Balance June 30, 2021
CWF	07/31/09	2.12%	\$ 2,496,990	<u>\$1,126,656</u>	<u>\$ 129,151</u>	<u>\$ 997,505</u>

4. Prior year findings and questioned costs

There were no prior year audit findings or questioned costs.

Town of Colchester, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' opinion issued on compliance
for major programs:

Unmodified opinion

Any audit findings disclosed that are required
to be reported in accordance with Section 4-236-24
of the Regulations of the State Single Audit Act?

 yes x no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Local Bridge Program Transportation Fund	13033-DOT57191-43456	\$ 195,561
Local Transportation Capital Improvement Program	13033-DOT57197-43584	765,269

Dollar threshold used to distinguish between type A and
type B programs:

\$200,000

II - Financial Statement Findings

None

III - State Financial Assistance Findings and Questioned Costs

None