

CITY OF SHELTON, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDIT REPORTS

June 30, 2022

CITY OF SHELTON, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

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CLERMONT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Aldermen
City of Shelton, Connecticut
Shelton, Connecticut 06484

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 City of Shelton, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Shelton, Connecticut's basic financial statements, and have issued our report thereon dated January 4, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Shelton, Connecticut'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 City of Shelton, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Shelton, Connecticut'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Shelton, Connecticut'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 entity'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 City of Shelton, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CLERMONT & ASSOCIATES, LLC

Waterbury, Connecticut

A handwritten signature in cursive script that reads "Clermont & Associates, LLC".

January 4, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Aldermen
City of Shelton, Connecticut
Shelton, Connecticut 06484

Report on Compliance for Each Federal Program

Opinion on Each Major Federal Program

We have audited the City of Shelton, Connecticut's 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 City of Shelton, Connecticut's major federal programs for the year ended June 30, 2022. The City of Shelton, Connecticut's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Shelton, 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, 2022.

Basis for Opinion on Each Federal Program

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 Controller 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance sections of our report.

We are required to be independent of The City of Shelton, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The City of Shelton, Connecticut's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The City of Shelton, Connecticut's federal programs.

Auditor's Responsibilities for the Audit for Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The City of Shelton, Connecticut' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Shelton, Connecticut' compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we;

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding The City of Shelton, Connecticut' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The City of Shelton, Connecticut' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The City of Shelton, Connecticut' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 the 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 City of Shelton, Connecticut, as of and for the year ended June 30, 2022, and related notes to the financial statements, which collectively comprise of the City of Shelton, Connecticut's basic financial statements. We issued our report thereon dated January 4, 2023, 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.

CLERMONT & ASSOCIATES, LLC
Waterbury, Connecticut

A handwritten signature in cursive script that reads "Clermont & Associates, LLC".

January 4, 2023

CITY OF SHELTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures	Passed Through to Subrecipient
U.S. Department of Agriculture:				
<i>Passed through the State Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 475,298	
National School Lunch Program	10.555	12060-SDE64370-20560	2,045,001	
Emergency Operational Cost Reimbursement	10.555	12060-SDE64370-23085	28,429	
Supply Chain Assistance Grants	10.560	12060-SDE64370-29572	82,592	
P-EBT Local Level Administrative Cost Gant	10.649	12060-SDE64370-29576	5,526	
Total U.S. Department of Agriculture			\$ 2,636,846	-
U.S. Department of Education:				
<i>Passed through the State Department of Education:</i>				
Adult Education	84.002	12060-SDE64370-20784	\$ 40,000	
Title I Grants to Local Educational Agencies (2020)	84.010	12060-SDE64370-20679	494,273	
Title I Grants to Local Educational Agencies (2022)	84.010	12060-SDE64370-20679	636,647	
Special Education Cluster:				
Special Education - Grants to States (2022)	84.027	12060-SDE64370-20977	756,260	
Special Education - Preschool Grants (2022)	84.173	12060-SDE64370-20983	2,307	
Special Education Stipend - Professional Dev. Activities	84.027	12060-SDE64370-20977	5,000	
Special Education Stipend - Education Activities	84.027	12060-SDE64370-20977	10,000	
Career and Technical Education	84.048	12060-SDE64370-20742	48,930	
English Language Acquisition Grants (2020)	84.365	12060-SDE64370-20868	31,554	
English Language Acquisition Grants (2022)	84.365	12060-SDE64370-20868	33,727	
Improving Teacher Quality State Grants (2020)	84.367	12060-SDE64370-20858	100,306	
Improving Teacher Quality State Grants (2022)	84.367	12060-SDE64370-20858	109,585	
Element. and Secondary School Emerge. Relief I (2020)	84.425D	12060-SDE64370-29571	400,594	
Element. and Secondary School Emerg. Relief II (2021)	84.425U	12060-SDE64370-29571	1,943,428	
Element. and Secondary School Emerg. Relief - ARP (2021)	84.425U	12060-SDE64370-29571	1,890,192	
Element. and Secondary School Emerg. Relief - ARP (2021)	84.425W	12060-SDE64370-29650	10,218	
Element. and Secondary School Emerg. Relief - IDEA (2022)	84.425U	12060-SDE64370-23084	19,561	
ESSER II - Dyslexia Recovery Grant (2022)	84.425U	12060-SDE64370-23084	9,310	
ESSER II - Special Populations Recovery Grant (2022)	84.425U	12060-SDE64370-23084	25,000	
ESSER II - Special Education Recovery Activites Grant (2022)	84.425U	12060-SDE64370-23084	80,000	
Student Support and Academic Enrichment (2020)	84.424	12060-SDE643700-22854	30,417	
Student Support and Academic Enrichment (2022)	84.424	12060-SDE643700-22854	28,084	
Total U.S. Department of Education			\$ 6,705,393	-
U.S. Department of Justice:				
<i>Passed through the State Office of Policy and Management</i>				
Byrne Memorial Grant Program	16.738	12060-OPM20600-21921	\$ 10,000	
			\$ 10,000	-
U.S. Department of Transportation:				
<i>Passed through the State Department of Transportation:</i>				
Highway Planning & Construction	20.205	12060-DOT57000-22108	\$ 264,337	
State and Community Highway Safety	20.600	12060-DOT57000-20559	1,793	
Total U.S. Department of Transportation			\$ 266,130	-
U.S. Federal Emergency Management Agency (FEMA):				
<i>Passed through the State Department of Public Safety</i>				
Emergency Management Performance Grant	97.042	12060-SOS12500-21881	\$ 20,648	
Public Assistance- COVID	97.036	12060-SOS12500-21846	259,779	
			\$ 280,427	-
Total Expenditures of Federal Awards			\$ 9,898,796	-

See Notes to Schedule of Expenditures of Federal Awards

CITY OF SHELTON, CONNECTICUT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year ended June 30, 2022

Note 1 – Basis of Presentation

The accompanying schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Shelton, Connecticut under programs of the federal government for the year ended June 30, 2022. 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 operations of the City of Shelton, Connecticut, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Shelton, Connecticut.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Cost Recovery

The City of Shelton, Connecticut did not recover its indirect costs using the 10% de minimis direct cost rate provided under section 200.41, of the Uniform Guidance rules.

CITY OF SHELTON, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

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 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) are reported in this Schedule? _____ yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Elementary and Secondary School Emergency Relief Fund
84.010	Title I – Grants to Local Education Agencies

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

Auditee qualified as low risk auditee? x yes _____ no

CITY OF SHELTON, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

II. FINANCIAL STATEMENT FINDINGS

No findings required to be reported.

III. FEDERAL AWARDS FINDINGS

No findings required to be reported.

CITY OF SHELTON, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
June 30, 2022

No items required to be reported

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 Auditor's Report

Board of Aldermen
City of Shelton, Connecticut
Shelton, Connecticut 06484

Report on Compliance for Each State Program

Opinion on Each Major State Program

We have audited the City of Shelton, Connecticut's 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 City of Shelton, Connecticut's major state programs for the year ended June 30, 2022. The City of Shelton, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Shelton, 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, 2022.

Basis for Opinion on Each State Program

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance sections of our report.

We are required to be independent of The City of Shelton, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of The City of Shelton, Connecticut's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The City of Shelton, Connecticut's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The City of Shelton, Connecticut' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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) will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about The City of Shelton, Connecticut' compliance with the requirements of each state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we;

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding The City of Shelton, Connecticut' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Shelton, Connecticut' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The City of Shelton, Connecticut' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shelton, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Shelton, Connecticut's basic financial statements. We have issued our report thereon dated January 4, 2023, 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 City of Shelton, Connecticut's 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 taken as a whole.

CLERMONT & ASSOCIATES, LLC
Waterbury, Connecticut



January 4, 2023

CITY OF SHELTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures	Passed Through to Subrecipient
Office of Policy and Management:			
Reimbursement of Property Taxes Disability Exemption	11000-OPM20600-17011	\$ 3,011	
Property Tax Relief for Veterans	11000-OPM20600-17024	14,572	
Payment In Lieu of Taxes - Tiered	11000-OPM20600-17111	15,404	
Municipal Purpose and Projects Grant	12052-OPM20600-43587	584,121	
Local Capital Improvement Program	12050-OPM20600-40254	519,284	
Total Office of Policy and Management		\$ 1,136,392	-
Department of Education:			
Adult Education	11000-SDE64370-17030	\$ 881,646	
Nonpublic Health Services	11000-SDE64370-17034	11,954	
School Breakfast	11000-SDE64370-17046	21,191	
Health Foods Initiative	11000-SDE64370-16212	37,519	
Child Nutrition Match	11000-SDE64370-17052	17,055	
Magnet School Program	11000-SDE64370-17057	9,100	
Magnet School - Transportation (Non-Sheff)	11000-SDE64370-12632	6,500	
Talent Development	11000-SDE64370-12552	3,904	
Youth Services Bureau	11000-SDE64370-17052	20,994	
Youth Services Bureau - Enhancement	11000-SDE64370-16201	13,126	
Total Department of Education		\$ 1,022,989	-
Office of Early Childhood:			
School Readiness in Competitive Municipalities	11000-OEC64845-16274	202,931	202,931
Total Office of Early Childhood		\$ 202,931	202,931
Connecticut State Library:			
Connecticard Payments	11000-CSL66051-17010	\$ 1,054	
Historical Document Preservation	12060-CSL66094-35150		
Total Connecticut State Library		\$ 1,054	-
Department of Transportation:			
Town Road Aid Grant STO	12052-DOT57131-43455	505,276	
Total Department of Transportation		\$ 505,276	-
Department of Energy & Environmental Protection:			
Public, Educational, & Governmental Programming and Educational Technology Investment Account	12060DEP44620-35363	24,300	
Total Department of Energy & Environmental Protection		\$ 24,300	-
Department of Public Safety:			
State 911 Enhancement	12060-DPS32741-35190	9,291	
Total Department of Public Safety		\$ 9,291	-
Total Expenditures of State Financial Assistance Before Exempt Programs		\$ 2,902,233	202,931
<u>Exempt Programs</u>			
Department of Education:			
School Construction	13010-DAS27635-40901	\$ 3,182,741	
Educational Cost Sharing	11000-SDE64370-17041	6,837,788	
Excess Cost Student Based and Equity	11000-SDE64370-17047	1,769,995	
Total Exempt Programs		\$ 11,790,524	-
Total Expenditures of State Financial Assistance		\$ 14,692,757	202,931

See Notes to Schedule of Expenditures of State Financial Assistance

CITY OF SHELTON, CONNECTICUT

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2022

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the City of Shelton, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2022. 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 education, public safety, and general government services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Shelton, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments.

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.

Basis of Accounting

The financial statements contained in the City's annual audit report are prepared on the modified accrual basis. The following is a summary of such basis:

Revenues are recognized when earned and available. Certain grants are recognized based on grant award since they are considered entitlement grants; other grants, such as grants that are dependent upon expenditure factor for determining eligibility, recognize grant revenue to the extent of expenditures.

Expenditures are recorded when the related liability is incurred. Encumbrances are reflected as a reserve against fund balance and accordingly are not reflected as expenditures.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. 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 expenditure's column of the Schedule of Expenditures of State Financial Assistance.

CITY OF SHELTON, CONNECTICUT

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

2. LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations of 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 for the year ended June 30, 2022, for Clean Water Funds funded through the State Department of Environmental Protection:

	<u>165-C</u>	<u>104-C</u>
Interest rate	2%	2%
Balance, beginning of year	\$ 6,639,785	937,397
Paid	<u>(870,391)</u>	<u>(138,299)</u>
Balance, end of year	\$ <u>5,769,394</u>	<u>799,098</u>

CITY OF SHELTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

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 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 x no

CITY OF SHELTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 Education:		
Adult Education	11000-SDE64370-17030	\$ 881,646
Department of Transportation:		
Town Road Aid Grant	12052-DOT57131-43455	505,276
Office of Policy and Management:		
Local Area Capital Improvement	12050-OPM20600-40254	519,284
Dollar threshold used to distinguish type A and type B programs		<u>\$ 200,000</u>

II. FINANCIAL STATEMENTS FINDINGS

We issued reports, dated January 4, 2023, 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*.

Our report on internal control over financial reporting indicated no findings.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to State Financial Assistance Programs.