

Town of Greenwich, Connecticut

Federal and State Compliance Report
Fiscal Year Ended June 30, 2019

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RSM US LLP

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

Independent Auditor's Report

Board of Estimate and Taxation
Town of Greenwich, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Greenwich, 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 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 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 a 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.

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 18, 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New York, New York
December 18, 2019

Town of Greenwich, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through the State of Connecticut				
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	12060-SDE64370-20508	\$ -	\$ 21,813
National School Lunch Program	10.555	12060-SDE64370-20560	-	575,603
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	-	12,591
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	-	3,443
Total Child Nutrition Cluster			-	613,450
Total U.S. Department of Agriculture			-	613,450
Department of Homeland Security				
Passed through the State of Connecticut				
Emergency Management and Homeland Security:				
2015 Port Security Grant	97.056	EMW-2015-PU-00421	-	2,662
2016 Port Security Grant	97.056	EMW-2016-PU-00044	-	78,920
Hazard Mitigation Grant	97.039	12060-DPS32983-22519	-	81,039
Total Department of Homeland Security			-	162,621
U.S. Department of Education				
Passed through the State of Connecticut				
Department of Education:				
Title I Cluster:				
Title I - Grants 17-19	84.010	12060-SDE64370-20679	-	116,181
Title I - Grants 18-20	84.010	12060-SDE64370-20679	-	737,591
Total Title I Cluster			-	853,772
Special Education Cluster:				
IDEA State Grants (Basic) - Grants to States 17-19	84.027	12060-SDE64370-20977	-	245,735
IDEA State Grants (Basic) - Grants to States 18-20	84.027	12060-SDE64370-20977	-	1,905,361
IDEA State Grants (Preschool) - Grants to States 17-19	84.173	12060-SDE64370-20984	-	33,684
IDEA State Grants (Preschool) - Grants to States 18-20	84.173	12060-SDE64370-20984	-	30,746
Total Special Education Cluster			-	2,215,526
English Language Acquisition 17-19	84.365	12060-SDE64370-20868	-	64,502
English Language Acquisition 18-20	84.365	12060-SDE64370-20868	-	3,265
			-	67,767
Improving Teacher Quality State Grants 17-19	84.367	12060-SDE64370-20858	-	117,626
Improving Teacher Quality State Grants 18-20	84.367	12060-SDE64370-20858	-	122,491
Total Title II			-	240,117
Total U.S. Department of Education			-	3,377,182

(Continued)

Town of Greenwich, Connecticut

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct Program:				
Community Development Block Grant	14.218	N/A	\$ -	\$ 992,121
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>992,121</u>
U.S. Department of Public Health				
Passed through the State Department of Public Health:				
Public Health Emergency Preparedness	93.069	12060-DPH48557-22333	-	18,592
Immunication Cooperative Agreements	93.268	non contract	-	8,615
Immunication Cooperative Agreements	93.268	non contract	-	820
X-Ray Screen & Tuberculosis Care	93.116	12060-DPH48666-16112	-	11,667
PPHF Grant	93.758	12060-DPH48558-22664	-	15,248
Total U.S. Department of Public Health			<u>-</u>	<u>54,942</u>
U.S. Department of Transportation				
Passed through State Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57931-22108	-	2,614,944
Total Highway Planning and Construction			<u>-</u>	<u>2,614,944</u>
Total U.S. Department of Transportation			<u>-</u>	<u>2,614,944</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 7,815,260</u>

Town of Greenwich, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Greenwich, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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, or changes in net position or cash flows of the Town.

Note 2. Summary of Significant Accounting Principles

Expenditures reported in the Schedule are recognized using the modified accrual basis of accounting. Such expenditures are reported following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Noncash Awards

Immunization Cooperative Agreements – CFDA NO. 93.268: The United States Department of Public Health makes non-cash distributions of vaccines. The amount of \$9,435 represents the fair value of such vaccines used during the period.

Note 4. Indirect Cost Recovery

The Town did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

Town of Greenwich, Connecticut

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes 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 Section 2CFR 200.516(a)? Yes X No

Identification of Federal Major Programs

CFDA Numbers	Name of Federal Program or Cluster
10.553/5/9	Child Nutrition Cluster
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? X Yes No

Town of Greenwich, Connecticut

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

II. Financial Statement Findings

A. Internal Control Findings

2019-001 – Significant Deficiency

Criteria: Section 4-236-21 of the Regulations of Connecticut State agencies, as applicable, require that grantees maintain internal control over state programs that provide reasonable assurance that the nonstate entity is managing state financial assistance in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its state programs.

Condition: We noted that the Schedule of Expenditure of State Awards (SESA) included expenditures incurred in fiscal years prior to FY2019. The details of these amounts are included in the Notes to the SESA. The SESA balance is required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (US GAAP). See below for details:

- **State Program - ECD00000107500 – STEAP Fund – Bruce Museum:** For six of eight selections tested, \$66,560 of \$103,358 in expenditures were recorded in the incorrect SESA year. These expenditures related to services provided in fiscal years 2017 and 2018 and therefore should have been recorded in the respective prior year SESAs.
- **State Program - 11000-OPM20600-17018 – Property Tax Relief for Elderly and Totally Disabled Homeowners:** The amount recorded on the preliminary SESA related to this program should have been \$0 rather than \$139,000. The state is no longer reimbursing municipalities for this program. The SESA was subsequently corrected by management to remove this program.
- **State Program – 12052-DOT57131-43455 – Town Aid Road Grants Transportation Fund:** The Town's preliminary SESA did not include expenditures for this grant as they were initially included in the schedule of expenditures of federal awards improperly. The SEFA and SESA were subsequently corrected by management.

Context: See "Condition" above.

Cause: Each department's management reported certain project expenditures in the 2019 SESA rather than in the year the expenditure was actually incurred. Grant management and reporting is not centralized within the Town and are left to the individual departments.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SESA or the disallowance of expenditures by the grantor due to lack of proper reporting.

Recommendation: We recommend that Town management, in coordination with the departments, follow policy and procedures to help to make certain all state expended funds are captured timely and appropriately in the correct fiscal year in the SESA.

View of Responsible Official: The Town agrees with the finding. As an action plan, the Town with Board of Education officials will meet each year in July and August to review each of the applicable grants to determine the proper year to assign revenues and expenditures.

Town of Greenwich, Connecticut

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

B. Compliance Findings

No matters to report.

III. Federal Award Findings and Questioned Costs

A. Internal Control Findings

No matters to report.

B. Compliance Findings

No matters to report.

Town of Greenwich, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2018**

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.

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 Auditor's Report

Board of Estimate and Taxation
Town of Greenwich, 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 Greenwich, 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 18, 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 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

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*.

The Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

RSM US LLP

New York, New York
December 18, 2019

**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 Estimate and Taxation
Town of Greenwich, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Greenwich, Connecticut's (the Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2019. 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 the requirements of 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, 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 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 a 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.

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 have issued our report thereon dated December 18, 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 Town'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 as a whole.

RSM US LLP

New York, New York
December 18, 2019

Town of Greenwich, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2019**

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Passed through to Subrecipients	Expenditures
State Department of Education			
School Breakfast	11000-SDE64370-17046	\$ -	\$ 14,489
Bilingual Education	11000-SDE64370-17042	-	7,802
Child Nutrition Program - School Lunch State Match	11000-SDE64370-16211	-	21,222
Youth Service Bureau Enhancement	11000-SDE64370-16201	-	6,949
Youth Service Bureau	11000-SDE64370-17052	-	14,000
Teacher Education and Mentoring Program (TEAM)	11000-SDE64370-12552	-	24,546
Total Department of Education		-	89,008
Judicial Department			
Motor Vehicle Fines	34001-JUD95162-40001	-	53,601
Connecticut State Library			
Historic Documents Preservation	12060-CSL66094-35150	-	6,500
State Office of Policy and Management			
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	-	-
Property Tax Relief for Veterans	11000-OPM20600-17024	-	14,568
Reimburse Property Tax-Disabled Exemption	11000-OPM20600-17011	-	233
Municipal Grants - in - Aid	12052-OPM20600-43587	-	89,022
Total State Office of Policy and Management		-	103,823
Department of Emergency Services and Public Protection			
Telecommunications Fund/911 Enhancement	12060-DPS32741-35190	-	142,309
State Department of Transportation			
Bus Operations	12001-DOT57931-12175	-	72,901
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	914,037
Total State Department of Transportation		-	986,938
State Department of Public Health			
Vaccines	non-contract	-	2,708
STEAP Fund - Bruce Museum - Provided to Subrecipients	ECD000001075000	103,358	103,358
STEAP Fund - 800Mhz Radio System	12052-DPH48615-43410	-	245,000
Local and Districts Departments of Health	11000-DPH48000-17009	-	65,600
Total State Department of Public Health		103,358	416,666
Total State Financial Assistance Before Exempt Programs		103,358	1,798,845
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64000-17041	-	195,946
Excess Cost - Student Based and Equity	11000-SDE64000-17047	-	1,206,119
School Construction Grants	13010-DAS27635-40901	-	8,720,820
Total Exempt Programs		-	10,122,885
Total State Financial Assistance		\$ 103,358	\$ 11,921,730

See notes to schedule of expenditures of state financial assistance.

Town of Greenwich, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2019**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Greenwich, Connecticut 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 through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

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, or changes in net position or cash flows of the Town.

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Greenwich, 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 expenditures reported in the Schedule of Expenditures of State Financial Assistance 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 in the Schedule of Expenditures of State Financial Assistance.

Note 2. Noncash Awards

Vaccines: The United States Department of Public Health makes non-cash distributions of vaccines. The amount of \$2,708 represents the fair value of such vaccines used during the period.

Note 3. 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 the various loan program activity for the year ended June 30, 2019:

Department of Energy and Environmental Protection:

Clean Water Funds 21014-OTT1400-4001:

	Issue Date	Interest Rate	Original Amount	Balance Beginning	Issued	Retired	Balance Ending
430C	10/31/2000	2%	\$ 708,676	\$ 56,031	\$ -	\$ (41,883)	\$ 14,148
364C	12/31/2004	2%	8,671,620	3,045,837	-	(443,230)	2,602,607
				<u>\$ 3,101,868</u>	<u>\$ -</u>	<u>\$ (485,113)</u>	<u>\$ 2,616,755</u>

Town of Greenwich, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2019**

Note 4. Expenses

State Department of Public Health – STEAP Fund – Bruce Museum – Provided to Subrecipients: In 2016 the State of Connecticut, acting through its Department of Economic and Community Development, granted the Town of Greenwich \$750,000 to be used for the Renovation of the Bruce Museum. \$66,560 of \$103,358 in expenditures were recorded in the incorrect SESA year. These expenditures related to services provided in fiscal years 2017 and 2018 and therefore should have been recorded in the respective prior year SESAs.

Town of Greenwich, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs
Year Ended June 30, 2019**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified? _____ X Yes _____ 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

The following schedule reflects the major programs included in the State Single Audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Emergency Services and Public Protection		
Telecommunications Fund/911 Enhancement	12060-DPS32741-35190	\$ 142,309
State Department of Public Health		
STEAP Fund - 800Mhz Radio System	12052-DPH48615-43410	\$ 245,000
STEAP Fund - Bruce Museum - Provided to Subrecipient:	ECD000001075000	\$ 103,358
State Department of Transportation		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	\$ 914,037
Dollar threshold used to distinguish between Type A and Type B Programs		<u><u>\$ 200,000</u></u>

Town of Greenwich, Connecticut

Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

II. Financial Statement Findings

A. Internal Control Findings

See Financial Statement Finding, **2019-001 – Significant Deficiency**, documented on page 7.

B. Compliance Findings

No matters to report.

III. State Financial Assistance Findings and Questioned Costs

A. Internal Control Findings

No matters to report.

B. Compliance Findings

No matters to report.

Town of Greenwich, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2018**

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.