INTERNAL CONTROL AND COMPLIANCE REPORT

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 1

STATE SINGLE AUDIT SECTION

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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 Finance
Town of Somers, 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, each major fund, and the aggregate remaining fund information of the Town of Somers, Connecticut (the “Town”), as of and for the year ended June 30, 2020, 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 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mathoney Sabol & Company, LLP
Certified Public Accountants
Glastonbury, Connecticut
December 8, 2020
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

To the Board of Finance
Town of Somers, Connecticut

Report on Compliance for Each State Major Program

We have audited the Town of Somers, 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, 2020. The Town’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of state findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Town’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town’s compliance.

Opinion on Each Major State Program

In our opinion, the Town of Somers, 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, 2020.
Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town’s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements. We issued our report thereon dated December 8, 2020, 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 Connecticut State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Certified Public Accountants
Glastonbury, Connecticut
December 8, 2020
## NONEXEMPT PROGRAMS:

### Connecticut State Library

**Direct:**

- Historic Documents Preservation Grants
  - State Grantor: 12060-CSL66094-35150
  - Expenditures: $5,500
- ConnectiCard Payments
  - State Grantor: 11000-CSL66051-17010
  - Expenditures: 1,207

**Total Connecticut State Library:** 6,707

### Department of Education

**Direct:**

- Open Choice
  - State Grantor: 11000-SDE64370-17053
  - Expenditures: 37,703
- Open Choice - Academic, Student & Social Support
  - State Grantor: 11000-SDE64370-12457
  - Expenditures: 25,425
- Adult Education
  - State Grantor: 11000-SDE64370-17030
  - Expenditures: 11,399
- Talent Development
  - State Grantor: 11000-SDE64370-12552
  - Expenditures: 1,157

**Total Department of Education:** 75,684

### Department of Justice

**Direct:**

- Court Fees
  - State Grantor: 34001-JUD95162-40001
  - Expenditures: 2,605

### Office of Policy and Management

**Direct:**

- Payment in Lieu of Taxes on State-Owned Property
  - State Grantor: 11000-OPM20600-17004
  - Expenditures: 715,904
- Local Capital Improvement Program
  - State Grantor: 12050-OPM20600-40254
  - Expenditures: 95,652
- Municipal Grants-In-Aid
  - State Grantor: 12052-OPM20600-43587
  - Expenditures: 82,324
- Property Tax Relief for Veterans
  - State Grantor: 11000-OPM20600-17024
  - Expenditures: 3,503
- Property Tax Relief on Property of Totally Disabled Persons
  - State Grantor: 11000-OPM20600-17011
  - Expenditures: 645

**Total Office of Policy and Management:** 898,028

### Office of Early Childhood

**Direct:**

- Smart Start
  - State Grantor: 11000-OEC64845-16279
  - Expenditures: 75,000

### Department of Transportation

**Direct:**

- Town Aid Road Grant - STO
  - State Grantor: 13033-DOT57131-43459
  - Expenditures: 157,305
- Town Aid Road Grant
  - State Grantor: 12052-DOT57131-43455
  - Expenditures: 157,305
- Bus Operations
  - State Grantor: 12001-DOT57931-12175
  - Expenditures: 21,615

**Total Department of Transportation:** 336,225

### Department of Social Services

**Direct:**

- Medicaid
  - State Grantor: 11000-DSS60000-16020
  - Expenditures: 33,439

### Department of Energy and Environmental Protection

**Direct:**

- Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)
  - State Grantor: 12060-DEP44620-35363
  - Expenditures: 62,504

### Department of Emergency Services and Public Protection

**Direct:**

- Fire School Training & Education Extension
  - State Grantor: 12060-DPS32251-35180
  - Expenditures: 320

**Total State Financial Assistance Before Exempt Programs:** 1,490,512

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*The accompanying note is an integral part of this schedule.*
### EXEMPT PROGRAMS:

**Department of Education**

<table>
<thead>
<tr>
<th>State Grantor; Pass-Through Grantor; Program Title</th>
<th>Program Core-CT Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Cost Sharing</td>
<td>11000-SDE64370-17041-82010</td>
<td>$ 5,788,762</td>
</tr>
<tr>
<td>Excess Costs Student Based and Equity</td>
<td>11000-SDE64370-17047</td>
<td>273,313</td>
</tr>
<tr>
<td><strong>Total Department of Education</strong></td>
<td></td>
<td><strong>6,062,075</strong></td>
</tr>
</tbody>
</table>

**Office of Policy and Management**

<table>
<thead>
<tr>
<th>State Grantor; Pass-Through Grantor; Program Title</th>
<th>Program Core-CT Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mashantucket Pequot and Mohegan Fund Grant</td>
<td>12009-OPM20600-17005</td>
<td>1,564,515</td>
</tr>
<tr>
<td>Municipal Stabilization Grant</td>
<td>11000-OPM20600-17104</td>
<td>240,198</td>
</tr>
<tr>
<td><strong>Total Office of Policy and Management</strong></td>
<td></td>
<td><strong>1,804,713</strong></td>
</tr>
<tr>
<td><strong>Total Exempt Programs</strong></td>
<td></td>
<td><strong>7,866,788</strong></td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

<table>
<thead>
<tr>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ 9,357,300</strong></td>
</tr>
</tbody>
</table>

*(Concluded)*

*The accompanying note is an integral part of this schedule.*
The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Somers, Connecticut (the “Town”), under programs of the State of Connecticut for the year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. The following is a summary of the more significant policies relating to the aforementioned grant programs.

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.
SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? Yes  No
- Significant deficiency(ies) identified? Yes  Reported

Noncompliance material to financial statements noted? Yes  No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:
- Material weakness(es) identified? Yes  No
- Significant deficiency(ies) identified? Yes  Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? Yes  No

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

<table>
<thead>
<tr>
<th>State Grantor/ Program</th>
<th>State Grant Program Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transportation:</td>
<td></td>
<td></td>
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<tr>
<td>Town Aid Road Grant - STO</td>
<td>13033-DOT57131-43459</td>
<td>$157,305</td>
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<tr>
<td>Town Aid Road Grant</td>
<td>12052-DOT57131-43455</td>
<td>157,305</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$314,610</td>
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<tr>
<td>Office of Policy and Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment in Lieu of Taxes on State-Owned Property</td>
<td>11000-OPM20600-17004</td>
<td>$715,904</td>
</tr>
</tbody>
</table>

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