

VILLAGE OF NORTH BENNINGTON, VERMONT

SINGLE AUDIT REPORT

June 30, 2020

Love, Cody & Company, CPAs



**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Trustees
Village of North Bennington, Vermont

Report on Compliance for Each Major Federal Program

We have audited the Village of North Bennington, Vermont'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 Village of North Bennington, Vermont's major federal programs for the year ended June 30, 2020. Village of North Bennington, Vermont's major federal program is 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 Village of North Bennington, Vermont'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 Village of North Bennington, Vermont'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 Village of North Bennington, Vermont's compliance.

Opinion on Each Major Federal Program

In our opinion, the Village of North Bennington, Vermont, 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, 2020.

Report on Internal Control over Compliance

Management of the Village of North Bennington, Vermont, 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 Village of North Bennington, Vermont'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 Village of North Bennington, Vermont's internal control over compliance.

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

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

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 Village of North Bennington, Vermont, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of North Bennington, Vermont's basic financial statements. We issued our report thereon dated September 24, 2021, 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.

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.

Love, Cody & Company, CPAs, P.C.

September 24, 2021

Vt. Reg. #357

Love, Cody & Company, CPAs

VILLAGE OF NORTH BENNINGTON, VERMONT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grant/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>United States Department of Agriculture</u>				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ -	\$ 2,051,432
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>2,051,432</u>
<u>United States Department of Transportation</u>				
Passed through Vermont Agency of Transportation:				
Highway Planning and Construction Cluster:				
<u>Federal Highway Administration</u>				
Highway Planning and Construction	20.205	CA0392	-	35,704
Total Highway Planning and Construction Cluster				<u>35,704</u>
Total Passed through Vermont Agency of Transportation				<u>35,704</u>
Total U.S. Department of Transportation				<u>35,704</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,087,136</u>

See accompanying notes to schedule of expenditures of federal awards.

VILLAGE OF NORTH BENNINGTON, VERMONT
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Village of North Bennington, Vermont under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village of North Bennington, Vermont, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village of North Bennington, Vermont.

(2) Summary of Significant Accounting Policies

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

(3) Loan Program Expenditures and Balances

Amounts expended under federal loan programs for the year ended June 30, 2020 and the balance outstanding on the related bond anticipation note at June 30, 2020 is as follows:

CFDA 10.760, Water and Waste Disposal Systems for Rural Communities:

Current year expenditures	\$ <u>2,051,432</u>
Year-end balance	\$ <u>1,970,254</u>

(4) Indirect Cost Rate

The Village of North Bennington, Vermont has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(5) Matching Costs

Matching costs, the Village's share of certain program costs, are not included in the reported expenditures.

**Village of North Bennington, Vermont
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?		X no
	yes	
Significant deficiency(ies) identified?		X none reported
	yes	
Noncompliance material to financial statements noted?		X no
	yes	

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?		X no
	yes	
Significant deficiency(ies) identified?		X none reported
	yes	

Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?		X no
	yes	

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities

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

Auditee qualified as low-risk auditee?		X no
	yes	

Section II - Financial Statement Findings

No findings identified.

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs identified.

VILLAGE OF NORTH BENNINGTON, VERMONT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

There were no findings reported in the Village of North Bennington, Vermont's June 30, 2019 audit.