

Town of Hamden, Connecticut

Federal and State Financial
and Compliance Reports
Fiscal Year Ended June 30, 2016

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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

To the Legislative Council
Town of Hamden, Connecticut

Report on Compliance for Each Major Federal Program

We have audited Town of Hamden, 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, 2016. 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 the 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, 2016.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated July 28, 2017, 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 Haven, Connecticut
July 28, 2017

Town of Hamden, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education:			
Food Distribution - Commodities - Noncash	10.558	12060-SDE64370-20544	\$ 117,761
National School Breakfast Program	10.553	12060-SDE64370-20508	343,351
National School Lunch Program	10.555	12060-SDE64370-20560	999,146
Child Care Food Program	10.558	12060-SDE64370-20518	24,703
Cash-in-Lieu/Commodities-CCFP	10.558	12060-SDE64370-20544	995
Total U.S. Department of Agriculture			<u>1,485,956</u>
U.S. Department of Education			
Passed through the State of Connecticut			
Department of Education:			
Special Education Cluster:			
IDEA - Part B, Section 611	84.027	12060-SDE64370-20977	1,596,837
IDEA - Part B, Section 619	84.173	12060-SDE64370-20983	44,644
Total Special Education Cluster			<u>1,641,481</u>
Title I - Grants to Local Education Agencies	84.010	12060-SDE64370-20679	1,166,873
Title II - Improvements to Teachers Quality	84.367	12060-SDE64370-20858	155,751
Adult Basic Education	84.002	12060-SDE64370-20784	75,000
Title III - Part A - English Language Acquisition	84.365	12060-SDE64370-20868	43,358
Preschool Development Grant	84.419	12060-SDE64370-22705	320,245
Career and Technical Education	84.048	12060-SDE64370-20742	71,900
Total U.S. Department of Education			<u>3,474,608</u>
U.S. Department of Housing and Urban Development			
Direct Funding:			
Community Development Block Grant/Entitlement Grants	14.218	NA	<u>359,288</u>
U.S. Department of Justice:			
Passed through the State of Connecticut			
Office of Policy and Management:			
Juvenile Accountability 2003	16.523	12060-OPM20350-21672	5,815
Edward Byrne Memorial Justice Assistance Grant	16.738	12060-OPM20350-21921	33,408
Total U.S. Department of Justice			<u>39,223</u>

Town of Hamden, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
U.S. Department of Transportation:			
Passed through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction	20.205	12062-DOT57161-22108	155,692
Distracted Driving	20.614	12062-DOT57513-22394	60,222
National Priority Safety Program	20.616	12062-DOT57513-22600	60,922
Total U.S. Department of Transportation			276,836
U.S. Department of Health and Human Services			
Passed through the State of Connecticut			
Department of Social Services:			
Social Services Block Grant	93.667	12060-OEC64841-26155	124,073
U.S. Department of Homeland Security			
Passed through the State of Connecticut			
Department of Public Safety:			
Emergency Management Performance Grant	97.042	12060-DPS32960-21881	40,472
State Homeland Security	97.067	12060-DPS32160-27550	2,000
Total U.S. Department of Homeland Security			42,472
U.S. National Endowment for the Arts			
Passed through the State of Connecticut Department of			
Economic Development:			
National Endowment for the Art	45.025	12060-ECD46820-20328	4,158
Total Federal Awards			\$ 5,806,614

N/A = Not Available.

See notes to schedule of expenditures of federal awards.

Town of Hamden, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Hamden, Connecticut, under programs of the federal government for the year ended June 30, 2016. The information in the 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 of Hamden, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of Hamden, Connecticut.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported on the 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. 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. Noncash Awards

The Town's National School Lunch Program receives noncash federal awards in the form of food commodities from the Department of Agriculture.

Non-monetary assistance is reported in the Schedule at the fair market value of the items received and disbursed. The market value of the items issued is included in the schedule of expenditures of federal awards as follows:

Food Commodities	<u>\$117,761</u>
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Note 4. Indirect Cost Rate

The Town currently does not have any grants which require the application of an overhead rate, however, if they did, the Town would elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Town of Hamden, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016**

I. 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 None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster
10.553/10.555	Child Nutrition Cluster
84.419	Preschool Development Grant

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

II. Financial Statement Findings

Material Weakness in Internal Control

IC2016-001 Financial Reporting Requirements

Criteria:

Management is responsible for establishing and maintaining internal control policies and procedures to enable the preparation of the Town's financial statements in a timely manner in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2016**

Condition:

The internal control procedures did not prevent misapplication of certain accounting principles, which resulted in restatements of the prior year's financial statements. The following includes the various accounts that were restated:

- MERS net pension liability, contribution payable and related deferred inflows/outflows were not reported in the prior year financial statements
- Towns net deferred inflows were not reported
- Premiums/deferred amounts on refunding/deferred debt issuance costs reported were incorrect
- Other various long-term liabilities were incorrectly reported
- The financials did not include required disclosures under GASB 68

Context:

Systemic in nature.

Effect:

Management did not have accurate financial data for decision making and could mask intentional or unintentional fraud.

Recommendation:

We recommend management reevaluate its staffing needs in the Finance Department to ensure there are adequate resources to facilitate the timely close of the funds. In addition, we recommend management establish policies and procedures to ensure that all accounts are reconciled in a timely manner and in accordance with generally accepted accounting principles.

Management's Response:

Management agrees with finding.

Significant Deficiencies in Internal Control

2016-002 Financial Reporting Requirements

Criteria Management is responsible for establishing and maintaining internal controls to provide reasonable assurance that the financial statements are fairly presented and are in conformity with accounting principles generally accepted in the United States of America (GAAP).

Town of Hamden, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2016

Condition	<p>We noted year-end closing procedures that were not timely to record transactions in a manner consistent with GAAP. Significant adjustments were posted to the Town's financial statements to properly record transactions in accordance with GAAP. Adjustments included, but were not limited to, the following:</p> <ul style="list-style-type: none">• Entries to properly report fund balance• Entry posted for bond anticipation notes• Entries for bond refunding.• Entries related to long-term liabilities• Entries related to property tax receivables, revenues and allowance for doubtful accounts• Entries to properly record all Board of Education funds
Context	Systemic
Effect	Material audit adjustments were posted to present the financial statements in accordance with GAAP.
Cause	Management did not commit adequate personnel resources to enable the preparation of year end external financial statements. All reconciliations should be completed at a more detailed level and all adjustments should be reviewed, and if needed, seek additional guidance as required.
Recommendation	We recommend that the Town and Board of Education follow its policies and procedures for effective internal controls over preparation of financial statements. If complex transactions occur, we recommend seeking outside guidance as required.
Management Response	Management agrees with finding.

IC2016-003 Federal Reporting Package

Criteria:

In order to comply with federal guidelines, management needs to submit the Town's federal reporting package within the earlier of thirty days after issuance or nine months of year-end.

Condition:

Management did not file the 2016 federal reporting package with the Federal Audit Clearinghouse within the time requirements of the federal guidelines.

Context:

The 2016 federal reporting package was not filed on time.

Town of Hamden, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2016**

Cause:

Management did not commit adequate personnel resources to enable the preparation of year end external financial statements, assistance to enable the independent auditors to issue an opinion on the Town's financial statements and to meet the federal and state reporting requirements.

Effect:

Management was not in compliance with federal guidelines, which could cause a reduction or loss in funding from Federal grantors.

Recommendation:

We recommend that management commit adequate personnel resources to ensure timely completion of the year end external financial statements, to provide assistance to enable the independent auditors to issue an opinion on the Town's financial statements and to meet the federal and state reporting requirements.

Management's Response:

Management agrees with the finding.

III. Federal Awards Findings

No matters to report.

Town of Hamden, Connecticut

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2016**

The Town had no findings reported in the prior year's audit that are required to be reported in this schedule.

**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

To The Legislative Council
Town of Hamden, 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 Hamden, Connecticut (the Town) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 28, 2017. Our report included an emphasis of a matter paragraph regarding restatements for correction of errors in the opening net position (deficit)/fund balance in the Town's Governmental Activities and General Fund.

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.

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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the schedule of findings and questioned costs as IC2016-001 to be a material weakness.

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. We consider the deficiencies described in the schedule of findings and questioned costs (IC2016-002 and IC2016-003) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hamden, Connecticut's financial statements are free of 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*.

Town of Hamden's Responses to Findings

The Town of Hamden's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Hamden's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

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 of Hamden, Connecticut'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 of Hamden, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

New Haven, Connecticut
July 28, 2017

**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

To The Legislative Council
Town of Hamden, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Hamden, 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, 2016. 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, 2016.

Report on Internal Control over Compliance

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

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

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated July 28, 2017, 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 VS LLP

New Haven, Connecticut
July 28, 2017

Town of Hamden, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Education:		
School Readiness Grant - Severe Needs School	11000-SDE64370-12113	\$ 655,915
School Readiness Quality Enhancement	11000-SDE64370-17097	3,881
Youth Service Bureau Enhancement	11000-SDE64370-16201	7,026
Child Care Services	11000-SDE64220-12520	133,165
Adult Education	11000-SDE64370-17030	288,614
Child Nutrition Program	11000-SDE64370-16211	25,232
Health Foods Initiative	11000-SDE64370-16212	51,854
Primary Mental Health	11000-SDE64370-12198	1,120
Family Resource Center	11000-SDE64370-16110	217,036
Early Childhood Minor Capital	12052-SDE64370-43540	8,508
State School Breakfast	11000-SDE64370-17046	28,403
Non-Public Health Services	11000-SDE64370-17034	123,224
Youth Services Bureau	11000-SDE64370-17052	35,172
Open Choices - Receiving District	11000-SDE64370-17053	15,000
Magnet School - Operating	11000-SDE64370-17057	22,100
ECS - Alliance District Fund	11000-SDE64000-17041-82164	4,000,376
Arts Commission	11000-SDE64370-16258	4,722
High Quality Schls & Common Core Implem (Bonds)	12052-SDE64370-43538	123,398
Bilingual Education	11000-SDE64370-17042	4,241
Total Department of Education		<u>5,748,987</u>
Department of Transportation:		
Town Aid Road Grants	12001-DOT57131-43455	673,661
Total Department of Transportation		<u>673,661</u>
Office of Policy and Management:		
Municipal Grants-in-Aid	12052-OPM20600-43587	286,689
Property Tax Relief - Elderly Circuit Breakers	11000-OPM20600-17018	397,951
Distressed Municipalities	11000-OPM20600-17016	31,088
Property Tax Relief for Elderly Homeowners - Freeze	11000-OPM20600-17021	666
Property Tax Relief for Veterans	11000-OPM20600-17024	141,622
Property Tax Relief - Disabled	11000-OPM20600-17011	8,877
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	715,955
Payment in Lieu of Taxes on Private Colleges	11000-OPM20600-17006	2,870,139
Local capital improvement	12050-OPM20600-40254	122,149
Total Office of Policy and Management		<u>4,575,136</u>
Connecticut State Library:		
Historic Documents Preservation	12060-CSL66094-35150	4,000
State Grants to Public Libraries	11000-CSL66051-17003	1,087
Connecticard Payments	11000-CSL66051-17010	5,924
Total Connecticut State Library		<u>11,011</u>

Town of Hamden, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2016**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Energy and Environmental Protection:		
Open Space Grant Farmington Canal	12052-DEP43153-40523	\$ 15,839
Community Conservation & Development Grant	12019-DEP43153-41239	75,000
Hazardous Waste Disposal Sites	12052-DEP43750-43155	2,521,623
Total Department of Energy and Environmental Protection		<u>2,612,462</u>
Department of Judicial Services		
Motor Vehicle Fines	34001-JUD95162-40001	85,150
Department of Public Safety		
School Security Infrastructure	12052-DPS32161-43546	169,708
State 911 Enhancement	12060-DPS32741-35190	190,773
Total Department of Public Safety		<u>360,481</u>
Department of Economic and Community Development		
Urban Action Bond	13019-ECD46200-41240	91,003
Total Department of Economic and Community Development		<u>91,003</u>
Department of Administrative Services		
Alliance Dis Gen Improvements	12052-DAS27635-43651	394,456
Total State Financial Assistance Before Exempt Programs		<u>14,552,347</u>
Exempt Programs		
Office of Policy and Management:		
Grants to Towns	12009-OPM20600-17005	951,450
Department of Education:		
Education Cost Sharing	11000-SDE64000-17041-82010	28,151,139
Transportation of School Children	11000-SDE64000-17027	549,282
Excess Cost - Student Based	11000-SDE64000-17047	1,598,554
Nonpublic School Transportation	11000-SDE64000-17049	166,129
Total Department of Education		<u>30,465,104</u>
Department of Administrative Services		
School Construction - Interest	13009-DCS28000-40896	56,230
School Construction Grants	13010-DCS28000-40901	1,141,555
Total Department of Administrative Services		<u>1,197,785</u>
Total Exempt Programs		<u>32,614,339</u>
Total State Financial Assistance		<u>\$ 47,166,686</u>

See notes to schedule of expenditures of state financial assistance.

Town of Hamden, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2016

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Hamden, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2016. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Hamden, Connecticut 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/net position or cash flows of the Town of Hamden, Connecticut.

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Hamden, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs. 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 on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting for governmental funds. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

Town of Hamden, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs
For the Year Ended June 30, 2016**

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 Yes 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
Office of Policy & Management		
Payment in Lieu of Taxes on Private Colleges	11000-OPM20600-17006	\$ 2,870,139
Department of Education		
ECS - Alliance District Fund	11000-SDE64000-17041-82164	4,000,376
Dept. of Energy and Environmental Protection		
Community Conservation & Development Grant	12019-DEP43153-41239	75,000
Dept. of Transportation		
Town Aid Road Grants	12001-DOT57131-43455	673,661
Department of Administrative Services		
Alliance Dis Gen Improvements	12052-DAS27635-43651	394,456
• Dollar threshold used to distinguish between type A and Type B programs:		<u>\$291,047</u>

Town of Hamden, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2016**

II. Financial Statement Findings

- We issued reports dated July 28, 2017, on internal control over financial reporting and compliance with other matters based on an audit of the basic financial statements performed in accordance with "Government Auditing Standards."
- Our report on internal control over financial reporting noted three matters (IC2016-001, IC2016-002 and IC2016-003).

III. State Financial Assistance Findings and Questioned Costs

No matters to report.

Town of Hamden, Connecticut

Summary of State Prior Year Audit Findings

There were no findings in the prior year.



Salvatore A. DeCola
Finance Director

TOWN OF HAMDEN FINANCE DEPARTMENT

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Corrective Action Plan For the Fiscal Year Ended June 30, 2016

Findings:	IC2016-001
Contact Person:	Salvatore A. DeCola
Corrective Action:	All reports will be reviewed and an approved checklist will be utilized to ensure all reports are in accordance with generally accepted accounting principles (GAAP).
Proposed Completion Date:	The Department of Finance will implement the above corrective action for the fiscal year ended June 30, 2017.
Findings:	IC2016-002
Contact Person:	Salvatore A. DeCola
Corrective Action:	Management will process all required adjusting entries to present the financial statements in accordance with GAAP.
Proposed Completion Date:	The Department of Finance will implement the above corrective action for the fiscal year ended June 30, 2017.
Findings:	IC2016-003
Contact Person:	Salvatore A. DeCola
Corrective Action:	Management will complete all financial and compliance reports in a timely manner.
Proposed Completion Date:	The Department of Finance will implement the above corrective action for the fiscal year ended June 30, 2017.

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