

TOWN OF HAMDEN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

June 30, 2017

TOWN OF HAMDEN, CONNECTICUT

FEDERAL AND STATE SINGLE AUDIT REPORTS

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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
Hamden, Connecticut 06518

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 Hamden, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Hamden, Connecticut's basic financial statements, and have issued our report thereon dated February 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hamden, Connecticut'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 of Hamden, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hamden, Connecticut's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore material weaknesses and significant deficiencies may exist and have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weaknesses, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2017-1).

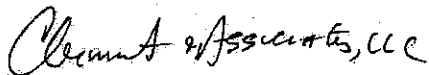
Compliance and Other Matters

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

Purpose of this Report

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

CLERMONT & ASSOCIATES, LLC
Prospect, Connecticut



February 28, 2018

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Legislative Council
Town of Hamden, Connecticut
Hamden, Connecticut 06518

Report on Compliance for Each Major Federal Program

We have audited the Town of Hamden, Connecticut's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Hamden, Connecticut's major federal programs for the year ended June 30, 2017. The Town of Hamden, Connecticut'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 of Hamden, Connecticut'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 of Hamden, Connecticut'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 of Hamden, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Hamden, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Town of Hamden, Connecticut is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Hamden, Connecticut'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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Hamden, Connecticut'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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of and for the year ended June 30, 2017, and related notes to the financial statements, which collectively comprise of the Town of Hamden, Connecticut's basic financial statements. We issued our report thereon dated February 28, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CLERMONT & ASSOCIATES, LLC
Prospect, Connecticut



February 28, 2018

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through CFDA Federal Grantor/Program Title Number Expenditures	Pass-Through Number	C.F.D.A	Expenditure
U.S. Department of Agriculture:			
Passed Through the State of Connecticut:			
Department of Education:			
Food Distribution - Commodities - Non-Cash	12060-SDE64370-20544	10.555	\$ 117,761
National School Breakfast Program	12060-SDE64370-20508	10.553	300,003
National School Lunch Program	12060-SDE64370-20560	10.555	896,916
Child Care Food Program	12060-SDE64370-20518	10.555	10,361
Cash-in-Lieu/Commodities-CCFP	12060-SDE64370-20544	10.555	<u>290</u>
Total U.S. Department of Agriculture			\$ <u>1,325,331</u>
U.S. Department of Education:			
Passed Through the State of Connecticut			
Department of Education:			
IDEA-Part B, Section 611 Grants to State	12060-SDE64370-20977	84.027	\$ 1,496,323
IDEA-Part B, Section 611 Grants to State	12060-SDE64370-20977	84.027	1,042,158
IDEA-Part B, Section 619 Preschool Grants	12060-SDE64370-20983	84.173	44,009
IDEA-Part B, Section 619 Preschool Grants	12060-SDE64370-20983	84.173	6,404
Title I - Grants to Local Education Agencies	12060-SDE64370-20679	84.010	20,041
Title I - Grants to Local Education Agencies	12060-SDE64370-20679	84.010	1,059,681
Title I - Grants to Local Education Agencies	12060-SDE64370-20679	84.010	30,867
Title I - Grants to Local Education Agencies	12060-SDE64370-20679	84.010	1,151,168
Title I - Grants to Local Education Agencies	12060-SDE64370-20679	84.010	26,652
Title II Improvements to Teachers Quality	12060-SDE64370-20858	84.367	150,967
Title II Improvements to Teachers Quality	12060-SDE64370-20858	84.367	148,261
Adult Basic Education	12060-SDE64370-20784	84.002	39,180
Adult Basic Education	12060-SDE64370-20784	84.002	35,000
Title III - Part A - English Language Acquisition	12060-SDE64370-20868	84.365	41,840
Title III - Part A - English Language Acquisition	12060-SDE64370-20868	84.365	31,113
Career and Technical Education	12060-SDE64370-20742	84.048	30,000
Career and Technical Education	12060-SDE64370-20742	84.048	74,242
Financial Literacy - USB	12060-SDE64370-35358	84.000	6,770
Passed through the State of Connecticut			
Office of Early Childhood Development			
Preschool Development Grants	12060-OED64845-22705	84.819	<u>416,331</u>
Total U.S. Department of Education			\$ <u>5,851,007</u>
U.S. Department of Housing and Urban Development:			
Direct Funding:			
Community Development Block Grant/Entitlement Grants	-	14.218	<u>\$ 286,285</u>

(continued)

See Notes to Schedule.

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through CFDA Federal Grantor/Program Title Number Expenditures	Pass-Through Number	C.F.D.A	Expenditure
U.S. Department of Justice:			
Passed Through the State of Connecticut			
Office of Policy and Management:			
JJ Formula Grant 2003	12060-OPM20350-21676	16.540	\$ 37,494
Total U.S. Department of Justice			<u>\$ 37,494</u>
U.S. Department of Transportation:			
Passed Through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction	12062-DOT57161-22108	20.205	\$ 427,471
Occupant Protection Incentive Grant	12062-DOT57513-22091	20.602	49,060
Total U.S. Department of Transportation			<u>\$ 476,531</u>
U.S. Department of Health and Human Services:			
Passed Through the State of Connecticut			
Department of Social Services:			
Social Services Block Grant	12060-OEC64841-26155	93.667	\$ 65,757
U.S. Department of Homeland Security:			
Passed Through the State of Connecticut			
Department of Public Safety:			
State Homeland Security	12060-DPS32160-27550	97.067	\$ 2,000
Emergency Management Performance Grant	12060-DPS32960-21881	97.042	30,804
Total U.S. Department of Homeland Security			<u>\$ 32,804</u>
TOTAL FEDERAL AWARDS			<u>\$ 8,075,209</u>

See Notes to Schedule.

TOWN OF HAMDEN, CONNECTICUT

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended June 30, 2017**

Note 1 - Basis of Presentation

The accompanying schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Town of Hamden under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Town of Hamden, Connecticut, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Town of Hamden, Connecticut.

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Non-monetary Assistance

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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TOWN OF HAMDEN, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

I SUMMARY OF AUDITORS 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 2 CFR section 200.516(a) are reported in this Schedule? _____ yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
84.027, 84.819	Special Education Cluster
84.010	Title I Grants to Local Education Agencies

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

Auditee qualified as low-risk auditee? yes _____ no

TOWN OF HAMDEN, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

SECTION II – FEDERAL AWARDS FINDINGS AND QUESTIONED COST

No findings were reported.

TOWN OF HAMDEN, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

17-01 Education Grants – Cash Management

Condition – There is a lack of internal control and monitoring over the special revenues fund at the Board of Education. This includes holding State and federal funds in an interest bearing bank account and inconsistencies in the reimbursements of expenditures to the general fund. The Board of Education does maintain the special revenue and general fund cash accounts on the general ledger system. The bank reconciliations reconcile the activity of the account but do not reconcile these accounts to the bank balances.

Criteria – Special revenue funds should be maintained so that the balance sheet accounts are able to be easily reconciled to insure compliance is met for each grant and financial information is easily accessible.

Context – The Board of Education maintains special revenue funds to account for federal and state grants and private donations. There is a process to oversee the expenditures in these accounts to ensure information is properly reported. However these funds do not maintain balance sheet accounts in these funds, which make cash management and intergovernmental accounts difficult to reconcile.

Effect – It is difficult to determine the restrictions, if any on the cash held in these accounts as well as determining the amount owed to the Town of Hamden as reimbursements.

Cause – The Board of Education does not maintain balance sheet accounts for the special revenue funds which make it difficult to recognize the related liabilities in the funds. There has also been a significant amount of turnover in the personnel responsible for these accounts.

Recommendation- The Department of Education should setup balance sheet accounts on the general ledger system and be maintain routine procedures to reconcile these accounts. There should also be routine procedures to determine the accurate request of federal state and federal grants as well as reimbursements of expenditures to the Town for expenses.. Also, federal and state grant funds should be removed from an interest bearing account.

TOWN OF HAMDEN, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
June 30, 2017

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

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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
Hamden, Connecticut 06518

Report on Compliance for Each Major State Program

We have audited the Town of Hamden, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Hamden, Connecticut's major state programs for the year ended June 30, 2017. The Town of Hamden, Connecticut'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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Hamden, Connecticut'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 of Hamden, Connecticut'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 of Hamden, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Hamden, 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, 2017.

Report on Internal Control over Compliance

Management of the Town of Hamden, Connecticut 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 of Hamden, Connecticut'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 of Hamden, Connecticut'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 government activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Hamden, Connecticut's basic financial statements. We have issued our report thereon dated February 28, 2018, 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 of Hamden, Connecticut's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CLERMONT & ASSOCIATES, LLC

Prospect, Connecticut



February 28, 2018

TOWN OF HAMDEN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017

State Grantor/Pass-Through Grantor/Program Title	State Core-CT Identification Number	Expenditures	Passed Through
DEPARTMENT OF EDUCATION:			
School Readiness Grant - Severe Needs School	11000-SDE64370-12113	\$ 655,914	
School Readiness Quality Enhancement	11000-SDE64370-17097	3,881	
Youth Service Bureau Enhancement	12060-SDE64370-16201	1,887	
Child Care Services	11000-SDE64220-12520	25,225	25,225
Adult Education	11000-SDE64370-17030	626,802	
Health Foods Initiative	11000-SDE64370-16212	51,136	
Family Resource Center	11000-SDE64370-16110	103,000	
Family Resource Center	11000-SDE64370-16110	103,000	
State School Breakfast	11000-SDE64370-17046	26,032	
Non-Public Health Services	11000-SDE64370-17034	101,627	
Youth Services Bureau	11000-SDE64370-16201	31,679	
Youth Services Bureau - Enhancement	11000-SDE64370-17052	7,550	
Open Choices - Receiving District	11000-SDE64370-17053	9,000	
Magnet School - Operating	11000-SDE64370-17057	26,000	
ECS - Alliance District Fund	11000-SDE64000-17041	100,000	
ECS - Alliance District Fund	11000-SDE64370-17041	3,914,720	
Low Performing School Improvement	12052-SDE64370-43594	37,944	
Early Childhood Bond Funds	12052-SDE64370-43540	13,704	
Bilingual Education	11000-SDE64370-17042	4,857	
TOTAL DEPARTMENT OF EDUCATION		\$ 5,843,958	-
DEPARTMENT OF TRANSPORTATION:			
Town Aid Road Grants	12001-DOT57131-17036	\$ 672,056	
TOTAL DEPARTMENT OF TRANSPORTATION		\$ 672,056	-
DEPARTMENT OF ECONOMIC AND COMMUNITY			
Urban Action Bond	13019-ECD46200-41240	1,429,350	
TOTAL DEPARTMENT OF ECONOMIC AND		1,429,350	-
OFFICE OF POLICY AND MANAGEMENT:			
Municipal Special Purposes and Projects	12052-OPM20600-43587	\$ 286,889	
Body Worn Recording Equipment	12052-OPM20350-40254	297,800	
Local Capital Improvement Program	12050-OPM20600-40254	396,772	
Property Tax Relief - Elderly Circuit Breakers	11000-OPM20600-17018	362,186	
Distressed Municipalities	11000-OPM20600-17016	32,884	
Property Tax Relief for Veterans	11000-OPM20600-17024	140,030	
Property Tax Relief - Disabled	11000-OPM20600-17011	9,306	
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	708,944	
Payment in Lieu of Taxes on Private Colleges	11000-OPM20600-17006	2,833,043	
TOTAL OFFICE OF POLICY AND		\$ 5,067,654	-
CONNECTICUT STATE LIBRARY:			
Historic Documents Preservation	12060-CSL66094-35150	\$ 5,000	
Connecticard Payments	11000-CSL66051-17010	6,457	
TOTAL CONNECTICUT STATE LIBRARY		\$ 11,457	-
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION			
Community Conservation and Development Grant	12052-DEP43153-41239	\$ 15,915	
Environmental Settlement	12060-DEP43153-41239	23,761	
Open Space Community Investment	12060-DEP43153-35328	67,500	
Remediation Cleanup Account	12060-DEP43750-30426	1,000,000	
Hazardous Waste Disposal Sites	12052-DEP43750-43155	1,000,000	
		\$ 2,107,176	-

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

State Grantor/Pass-Through Grantor/Program Title	Identification Number		Passed Through
OFFICE OF EARLY CHILDHOOD			
Early Childhood Program	11000-OEC64845-12113	\$ 848,056	848,056
School Readiness Quality Enhancement	11000-OEC64845-17097	3,881	
		\$ 851,937	848,056
DEPARTMENT OF AGRICULTURE			
Agriculture Viability Grant	12060-DAG42710-90456	\$ 17,158	-
DEPARTMENT OF PUBLIC SAFETY:			
State 911 Enhancement	12060-DPS32741-35190	\$ 136,561	
Security School Infrastructure	12052-DPS32161-43546	273,986	
Drug Assistance	12060-DPS32155-35142	2,693	
TOTAL DEPARTMENT OF PUBLIC SAFETY		\$ 413,240	-
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		\$ 16,413,986	848,056
EXEMPT PROGRAMS			
OFFICE OF POLICY AND MANAGEMENT:			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 896,135	
Municipal Revenue Sharing	12060-OPM20600-35458	5,085,304	
TOTAL OFFICE OF POLICY AND		\$ 5,981,439	-
DEPARTMENT OF EDUCATION:			
Education Cost-sharing	11000-SDE64000-17041	\$ 26,990,076	
Excess Cost - Student Based	11000-SDE64000-17047	1,643,815	
TOTAL DEPARTMENT OF		\$ 28,633,891	-
DEPARTMENT OF CONSTRUCTION SERVICES:			
School Construction - Interest	13009-DPW27610-40896	\$ 23,510	
School Construction Grants	13010-DPW27610-40901	590,951	
TOTAL DEPARTMENT OF CONSTRUCTION		\$ 614,461	-
TOTAL EXEMPT PROGRAMS		\$ 35,229,791	-
TOTAL STATE FINANCIAL ASSISTANCE		\$ 51,643,777	-

See Notes to Schedule.

TOWN OF HAMDEN, CONNECTICUT

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, public safety and general government services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

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

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

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

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), 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 FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

I. SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal control over financial reporting:

•Material weakness(es) identified? _____ yes x no

•Significant deficiency(ies) identified? _____ 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

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

<u>State Grantor and Program</u>	<u>State Core – CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Urban Action Bond	13019-ECD46200-41240	\$ 1,429,350
Town Road Aid	12052-DOT57131-43455	672,056
Department of Energy and Environmental Protection		
Remediation Cleanup	12060-DEP43750-30426	1,000,000
Hazardous Waste Disposal	12052-DEP43750-43155	1,000,000
Department of Education		
Alliance District Fund	11000-SDE64370-17041	4,014,720
Adult Education	11000-SDE64370-17030	626,802
School Readiness Grant	11000-SDE64370-12113	655,914
Office of Early Childhood		
Early Childhood Program	11000-OCE64845-12113	848,056
Office of Policy and Management		
Payment in Lieu of Taxes on State owned Property	11000-OPM20600-17004	708,944

Dollar threshold used to distinguish type A and type B Programs \$ 328,280

II. FINANCIAL STATEMENTS FINDINGS

- We issued reports, dated February 28, 2018 on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated one significant deficiencies or material weakness.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

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