

**TOWN OF HAMDEN, CONNECTICUT**

**FEDERAL AND STATE  
SINGLE AUDIT REPORTS**

June 30, 2018

# TOWN OF HAMDEN, CONNECTICUT

## FEDERAL AND STATE SINGLE AUDIT REPORTS

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# CLERMONT

ACCOUNTANTS • ADVISORS

Clermont & Associates, LLC  
37 Waterbury Road  
Prospect CT 06712

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Main: 203-758-6658  
Fax: 203-758-6758

[clermontaccounting.com](http://clermontaccounting.com)

## 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 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, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of and for the year ended June 30, 2018, 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 June 15, 2019.

### 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 or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as finding 2018-01, that we consider to be a significant deficiency.

## **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*.

## **Town of Hamden, Connecticut's Response to Findings**

The Town of Hamden's response to the finding identified in our audit is that they are in agreement with the finding and have developed a corrective action plan. The Town of Hamden's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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



June 15, 2019

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[clermontaccounting.com](http://clermontaccounting.com)

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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, 2018. 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, 2018.

## 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 an 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, each major fund and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of and for the year ended June 30, 2018, 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 June 15, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of 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



June 15, 2019

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through CFDA Federal Grantor/Program Title Number Expenditures	Pass-Through Number	C.F.D.A	Expenditure	Passed Through
<b>U.S. Department of Agriculture:</b>				
<b>Passed Through the State of Connecticut:</b>				
<b>Department of Education:</b>				
Food Distribution - Commodities - Non-Cash	12060-SDE64370-20544	10 555	\$ 118,520	
National School Breakfast Program	12060-SDE64370-20508	10 553	301,413	
National School Lunch Program	12060-SDE64370-20560	10 555	961,948	
Child Care Food Program	12060-SDE64370-20518	10 555	4,796	
<b>Total U.S. Department of Agriculture</b>			<b>\$ 1,386,677</b>	
<b>U.S. Department of Education:</b>				
<b>Passed Through the State of Connecticut</b>				
<b>Department of Education:</b>				
IDEA-Part B, Section 611 Grants to State 2017	12060-SDE64370-20977	84 027	\$ 486,002	
IDEA-Part B, Section 611 Grants to State 2018	12060-SDE64370-20977	84 027	1,543,780	
IDEA-Part B, Section 619 Preschool Grants 2017	12060-SDE64370-20983	84 173	39,765	
IDEA-Part B, Section 619 Preschool Grants 2018	12060-SDE64370-20983	84 173	369	
Title I - Grants to Local Education Agencies 2016	12060-SDE64370-20679	84 010	179,095	
Title I - Grants to Local Education Agencies 2016	12060-SDE64370-20679	84 010	2,368	
Title I - Grants to Local Education Agencies 2017	12060-SDE64370-20679	84 010	126,218	
Title I - Grants to Local Education Agencies 2017	12060-SDE64370-20679	84 010	11,380	
Title I - Grants to Local Education Agencies 2017	12060-SDE64370-20679	84 010	10,895	
Title I - Grants to Local Education Agencies 2018	12060-SDE64370-20679	84 010	1,229,033	
Title I - Grants to Local Education Agencies 2018	12060-SDE64370-20679	84 010	8,900	
Title II Improvements to Teachers Quality	12060-SDE64370-20858	84 367	179,095	
Title II Improvements to Teachers Quality	12060-SDE64370-20858	84 367	35,714	
Title II Improvements to Teachers Quality 2018	12060-SDE64370-20858	84 367	191,367	
Adult Basic Education 2018	12060-SDE64370-20784	84 002	43,000	
Adult Basic Education	12060-SDE64370-20784	84 002	90,000	
Title III - Part A - English Language Acq. 2017	12060-SDE64370-20868	84 365	11,107	
Title III - Part A - English Language Acq. 2018	12060-SDE64370-20868	84 365	38,921	
Immigration & Youth Education 2018	12060-SDE64370-20868	84 365	5,610	
Student Support and Enrichment	12060-SDE64370-22854	84 424	18,387	
Career and Technical Education	12060-SDE64370-20742	84 048	81,480	
<b>Passed through the State of Connecticut</b>				
<b>Office of Early Childhood Development</b>				
Preschool Development Grants	12060-OED64845-22705	84 819	427,726	
<b>Total U.S. Department of Education</b>			<b>\$ 4,760,212</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development:</b>				
<b>Direct Funding:</b>				
Community Development Block Grant/Entitlement Grants	-	14 218	\$ 285,143	
<b>U.S. Department of Health and Human Services:</b>				
<b>Passed Through the State of Connecticut</b>				
<b>Department of Social Services:</b>				
Social Services Block Grant	12060-OEC64841-26155	93 667	\$ 29,014	

(continued)

See Notes to Schedule



**TOWN OF HAMDEN, CONNECTICUT**  
**SCHEDULE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through CFDA Federal Grantor/Program Title Number Expenditures	Pass-Through Number	C.F.D.A	Expenditure	Passed Through
<b>U.S. Department of Justice:</b>				
<b>Passed Through the State of Connecticut</b>				
<b>Office of Policy and Management:</b>				
JJ Formula Grant 2017	12060-OPM20350-21676	16 540	32,794	
JJ Formula Grant 2018	12060-OPM20350-21676	16 540	\$ 28,249	
<b>Total U.S. Department of Justice</b>			<u>\$ 61,043</u>	<u>-</u>
<b>U.S. Department of Transportation:</b>				
<b>Passed Through the State of Connecticut</b>				
<b>Department of Transportation:</b>				
Highway Planning and Construction	12062-DOT57161-22108	20 205	\$ 1,426,595	
Occupant Protection Incentive Grant	12062-DOT57513-22559	20 602	15,021	
<b>Total U.S. Department of Transportation</b>			<u>\$ 1,441,616</u>	<u>-</u>
<b>U.S. Department of Homeland Security:</b>				
<b>Passed Through the State of Connecticut</b>				
<b>Department of Public Safety:</b>				
State Homeland Security	12060-DPS32160-27550	97.067	\$ 2,000	
<b>Security</b>			<u>\$ 2,000</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 7,965,705</u>	<u>-</u>

See Notes to Schedule.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year ended June 30, 2018

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**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, 2018. 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 \$118,520

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2018

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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
10.555,10.553	Nation School Nutrition Cluster

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, 2018**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Condition** – The Town was unable to close the general ledger, reconcile the financial information, and provide for a final general fund budget in a timely manner.

**Criteria** – The Town is required to maintain the ability to provide accurate financial information in a timely manner by completing all daily and monthly tasks in a reasonable amount of time. In addition, the Town should be appropriately staffed and trained so that during periods of unexpected vacancies, tasks are easily reassigned and completed timely.

**Cause** – Two senior positions in the Town's Finance Office became vacant during or soon after the fiscal year end. Financial information became available later than anticipated causing delays in the Town's financial consultants' ability to complete services timely.

**Context** – Delays and unexpected financial results in the finance office disrupted the management of the Town as well as the consultants' availability to complete their required services and assurance of the budget making authority. Although the financial information was available by November 15, 2018 it took additional time to reschedule the consultants necessary to complete the audit. In addition, the Town Council requested additional information to complete final budget amendment as unexpected results were reported after yearend.

**Effect** – Accurate financial information was not available in a timely manner. The Town's audited financial statements required several extensions of time to file with OPM.

**Recommendation** - The Town should fill the open positions in the Finance Office. In addition, the Town's Finance Office staff should be trained and staffed so that unexpected vacancies do not disrupt the timeliness and accuracy of the financial reports.

**Corrective Action Plan** - The Town will follow the auditor's recommendation. In addition, since the closing of the June 30, 2018 general ledger, all tasks have been reassigned and are completed timely. We will also work with our financial auditors, pension auditors, and our actuaries to develop a plan so that our June 30, 2019 financial audit will be timely filed.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COST**

No findings were reported.

**TOWN OF HAMDEN, CONNECTICUT**

**SUMMARY SCHEDULE OF PRIOR YEARS AUDIT FINDINGS**  
**June 30, 2018**

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

# CLERMONT

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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, 2018. 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, 2018.

## **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, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut as of and for the year ended June 30, 2018, 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 June 15, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town 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



June 15, 2019



TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Core-CT Identification Number</u>	<u>Expenditures</u>	<u>Passed Through</u>
<b>DEPARTMENT OF EDUCATION:</b>			
Child Nutrition Program	11000-SDE64370-16211	25,556	25,556
Adult Education	11000-SDE64370-17030	589,761	
Health Foods Initiative	11000-SDE64370-16212	48,606	
Family Resource Center	11000-SDE64370-16110	100,000	
State School Breakfast	11000-SDE64370-17046	26,045	
Non-Public Health Services	11000-SDE64370-17034	100,076	
Youth Services Bureau	11000-SDE64370-17052	30,700	
Youth Services Bureau - Enhancement	11000-SDE64370-16201	7,005	
Open Choices - Receiving District	11000-SDE64370-17053	6,000	
Magnet School - Operating	11000-SDE64370-17057	23,400	
ECS - Alliance District Fund	11000-SDE64370-17041	3,914,720	
Low Performing School Improvement	12052-SDE64370-43594	255,916	
Early Childhood Bond Funds	12052-SDE64370-43540	7,904	
Bilingual Education	11000-SDE64370-17042	9,118	
<b>TOTAL DEPARTMENT OF EDUCATION</b>		<b>\$ 5,144,807</b>	<b>-</b>
<b>DEPARTMENT OF TRANSPORTATION:</b>			
Town Aid Road Grants	12001-DOT57131-17036	\$ 671,196	
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>		<b>\$ 671,196</b>	<b>-</b>
<b>DEPARTMENT OF ECONOMIC AND</b>			
Brownfield Program	121060-ECD46260-3553	215,496	
<b>TOTAL DEPARTMENT OF ECONOMIC AND DEVELOPMENT</b>		<b>215,496</b>	<b>-</b>
<b>OFFICE OF POLICY AND MANAGEMENT:</b>			
Municipal Special Purposes and Projects	12052-OPM20600-43587	\$ 286,689	
Local Capital Improvement Program	12050-OPM20600-40254	1,711,106	
Property Tax Relief for Veterans	11000-OPM20600-17024	125,015	
Property Tax Relief - Disabled	11000-OPM20600-17011	9,297	
Payment in Lieu of Taxes on State-Owned	11000-OPM20600-17004	662,757	
Payment in Lieu of Taxes on Private Colleges	11000-OPM20600-17006	2,359,751	
<b>TOTAL OFFICE OF POLICY AND</b>		<b>\$ 5,154,615</b>	<b>-</b>
<b>CONNECTICUT STATE LIBRARY:</b>			
Connecticard Payments	11000-CSL66051-17010	5,254	
<b>TOTAL CONNECTICUT STATE LIBRARY</b>		<b>\$ 5,254</b>	<b>-</b>
<b>DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION</b>			
Community Conservation and Development	12052-DEP43153-41239	\$ 14,085	
		<b>\$ 14,085</b>	<b>-</b>
<b>OFFICE OF EARLY CHILDHOOD</b>			
Early Childhood Program	11000-OEC64845-16274	\$ 655,914	655,914
School Readiness Quality Enhancement	11000-OEC64845-17097	3,881	
<b>TOTAL OFFICE OF EARLY</b>		<b>\$ 659,795</b>	<b>655,914</b>

See Notes to Schedule.

(continued)

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. 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 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 FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018**

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>
<b>Office of Early Childhood</b>		
Early Childhood Program	11000-OEC64845-16274	655,914
<b>Department of Education</b>		
Alliance District Fund	11000-SDE64370-17041	3,914,720
Low Performing School Improvement	11000-SDE64370-43594	255,916
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes on Private Colleges	11000-OPM20600-17006	2,359,751
Local Capital Improvement Program (LoCIP)	1250-OPM020600-40254	1,711,106
Municipal Special Purpose Projects	12052-POM20600-43587	286,689

Dollar threshold used to distinguish type A and type B Programs \$ 240,217

**II. FINANCIAL STATEMENTS FINDINGS**

We issued reports, dated June 15, 2019 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 internal control over financial reporting indicated one significant deficiency, listed as Finding #2018-01 in the Federal Schedule of Findings and Questioned Costs, Section II, Financial Statement Findings.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

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