

# **Town of Waterford, Connecticut**

Federal and State Compliance Reports  
Year Ended June 30, 2017

## Contents

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### Report required by the Federal Single Audit Act and Uniform Guidance

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Report on compliance for its major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance	1-2
Schedule of expenditures of federal awards	3-4
Notes to schedule of expenditures of federal awards	5
Schedule of findings and questioned costs	6

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### Report required by *Government Auditing Standards*

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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 <i>Government Auditing Standards</i>	7-8
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### Report required by the State Single Audit Act C.G.S. Section 4-230 to 4-236

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Report on compliance for each major state program; report on internal control over compliance; and report on schedule of expenditures of state financial assistance required by the state single audit act	9-10
Schedule of expenditures of state financial assistance	11-12
Notes to schedule of expenditures of state financial assistance	13
Schedule of state single audit compliance findings and questioned costs	14

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**Report on Compliance on its 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 Members of the Board of Finance  
Town of Waterford, Connecticut

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Waterford, 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 the Town's major federal program for the year ended June 30, 2017. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance on the Town's major federal program 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 the Town of Waterford, Connecticut 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 of Waterford, Connecticut complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

### **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 its 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waterford, Connecticut as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated February 2, 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.

**RSM US LLP**

New Haven, Connecticut  
February 2, 2018

**Town of Waterford, Connecticut**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through the State of Connecticut			
Department of Education:			
Nutrition Cluster:			
Food Distribution	10.555	N/A	\$ 36,211
National School Lunch	10.555	12060-SDE64370-20560	216,419
School Breakfast	10.553	12060-SDE64370-20508	33,475
<b>Total Nutrition Cluster</b>			<u>286,105</u>
<b>Total U.S. Department of Agriculture</b>			<u>286,105</u>
U.S. Department of Education:			
Passed through the State of Connecticut			
Department of Education:			
Title I, Part A Cluster:			
Title I Grants to LEA - 07/2015-06/2017	84.010	12060-SDE64370-20679	15,546
Title I Grants to LEA - 07/2016-06/2018	84.010	12060-SDE64370-20679	236,525
<b>Total Title I, Part A Cluster</b>			<u>252,071</u>
Special Education Cluster:			
Special Education - Grants to States 07/2015-06/2017	84.027	12060-SDE64370-20977	115,074
Special Education - Grants to States 07/2016-06/2018	84.027	12060-SDE64370-20977	374,341
Special Education Preschool Grant 07/2015-06/2017	84.173	12060-SDE64370-20983	117
Special Education Preschool Grant 07/2016-06/2018	84.173	12060-SDE64370-20983	16,364
<b>Total Special Education Cluster</b>			<u>505,896</u>
Career and Technical Education - Basic Grants to States 07/2015-06/2016	84.048	12060-SDE64370-20742	22,354
Improving Teacher Quality State Grants- 7/15-6/17	84.367	12060-SDE64370-20858	39,121
Improving Teacher Quality State Grants- 7/15-6/17	84.367	12060-SDE64370-20858	15,629
<b>Total U.S. Department of Education</b>			<u>54,750</u>
<b>Total U.S. Department of Education</b>			<u>835,071</u>
U.S. Department of Homeland Security:			
Passed through the State of Connecticut			
Department of Emergency Services and Public Protection:			
Port Security Grant 2014	97.116	12060-DPS32160-22327	21,500
<b>Total U.S. Department of Homeland Security</b>			<u>21,500</u>

(Continued)

**Town of Waterford, Connecticut**

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Direct Award:			
Equitable sharing program	16.922	12060-OPM20350-20127	\$ 8,434
<b>Total U.S. Department of Justice</b>			<u>8,434</u>
U.S. Department of Health and Human Services:			
Passed through the State Department on Aging:			
Special Programs for the Aging Title III, Part B, Grants for supportive services and senior centers	93.044	12060-SDA62810-20835	7,196
<b>Total U.S. Department of Health and Human Services</b>			<u>7,196</u>
U.S. Department of Housing and Urban Development:			
Passed through the State of Connecticut			
Department of Economic and Community Development:			
Community Development Block Grants - Small Cities Rehabilitation	14.228	12060-ECD46400-20730	998
Community Development Block Grants - Disaster Recovery Plan	14.228	12060-ECD46400-29516	<u>116,917</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>117,915</u>
U.S. Department of Transportation:			
Passed through State Department of Transportation			
Highway Planning and Construction:			
Highway Planning and Construction	20.205	12062-DOT57151-22108	113,496
Federal Transit Administration Section 5310 Grant Program	20.513	12062-DOT57931-12361	<u>63,020</u>
<b>Total Highway Safety Cluster</b>			<u>176,516</u>
Highway Safety Cluster:			
Alcohol Traffic Safety Grants	20.607	12062-DOT57513-22091	9,954
Safety Belt Performance Grant	20.609	12062-DOT57513-22093	6,870
National Priority Safety Programs - Distracted Driving	20.616	12062-DOT57513-22600	<u>6,920</u>
<b>Total U.S. Department of Transportation</b>			<u>23,744</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,476,481</u>

N/A - Not Applicable

See notes to schedule of expenditures of federal awards.

## **Town of Waterford, Connecticut**

### **Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2017**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Waterford, Connecticut (the Town), under programs of the federal government for the year ended June 30, 2017. 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 Waterford, 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.

#### **Note 2. Summary of Significant Accounting Principles**

Expenditures are recognized following the modified accrual basis of accounting for governmental funds and accrual basis of accounting for enterprise funds. Such expenditures are reported following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Noncash Awards**

Donated commodities in the amount of \$36,211 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. The amount represents the market value of commodities received.

#### **Note 4. Indirect Cost Rate**

The Town of Waterford, Connecticut did not recover its indirect cost using the 10 percent de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

#### **Note 5. Subrecipients**

The Town did not provide any federal funds to subrecipients for the year ended June 30, 2017.

**Town of Waterford, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017**

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**I. Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No

*Federal Awards*

Internal control over major programs:

• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	None reported

Type of auditor's report issued on compliance for the major program: unmodified

• Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
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*Identification of the Major Federal Program*

CFDA Numbers	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
20.513	Federal Transit Administration Section 5310 Grant Program

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**

No matters to report.

**III. Federal Award Findings and Questioned Costs**

No matters to report.

**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 Members of the Board of Finance  
Town of Waterford, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waterford, Connecticut (the Town) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 2, 2018.

**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.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

New Haven, Connecticut  
February 2, 2018

**Report on Compliance for Each Major State Program; Report on Internal Control  
Over Compliance; and Report on Schedule of Expenditures of State Financial  
Assistance Required by the State Single Audit Act**

**Independent Auditor's Report**

To the Members of the Board of Finance  
Town of Waterford, Connecticut

**Report on Compliance for Each Major State Program**

We have audited the Town of Waterford, 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, 2017. The Town's major state 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 requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Program**

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

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

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

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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Waterford, 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 Waterford, Connecticut's basic financial statements. We have issued our report thereon dated February 2, 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 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 US LLP*

New Haven, Connecticut  
February 2, 2018

**Town of Waterford, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2017**

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
<hr/>		
State Department of Education:		
Health Services	11000-SDE64300-17034	\$ 5,771
Youth Service Bureau	11000-SDE64300-17052	14,000
School Breakfast	11000-SDE64300-17046	14,461
Child Nutrition State Match	11000-SDE64300-16211	8,804
Adult Education	11000-SDE64300-17030	12,762
Magnet School Transportation	11000-SDE64300-17057	89,700
Youth Service Bureau Enhancement	11000-SDE64300-16201	6,250
Health Foods Initiative	11000-SDE64300-16212	17,847
		<hr/> 169,595
State Office of Policy and Management:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	155,763
Property Tax Relief for Veterans	11000-OPM20600-17024	11,605
Reimburse Property Tax - Disabled Exemption	11000-OPM20600-17011	2,397
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM15910-17004	122,408
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM15910-17006	61,523
Municipal Grants-in-Aid	12052-OPM20600-43587	34,255
		<hr/> 387,951
State Department of Transportation:		
Town Aid Road	12001-DOT57000-17036	<hr/> 310,741
Department of Emergency Services and Public Protection:		
Telecommunications Fund	12060-DPS32740-35190	22,849
Nuclear Safety Program - Dominion	12060-EHS99681-30465	24,762
Nuclear Safety Emergency Program (NSEP)	12060-EHS99681-90428	46,042
		<hr/> 93,653
Connecticut State Library:		
Historic Documents Preservation	12060-CSL66094-35150	<hr/> 3,999

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**Town of Waterford, Connecticut**

**Schedule of Expenditures of State Financial Assistance (Continued)**  
**For the Year Ended June 30, 2017**

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
Division of Criminal Justice: New London County Cold Case Unit Grant	12060-DCJ30122-26119	\$ 510
Department of Economic and Community Development: Small Town Economic Assistance Program	12052-ECD46000-42411	291,717
National Endowment for the Art	11000-ECD46820-20328	3,802
Arts Commission	11000-ECD46820-16258	4,698
		<u>300,217</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<b><u>1,266,666</u></b>
Exempt Programs:		
Office of Policy and Management: Municipal Revenue Sharing	12002-OPM20600-17102	259,091
Grants to Towns	12009-OPM20600-17005	42,601
<b>Total Office of Policy and Management</b>		<b><u>301,692</u></b>
Department of Administrative Services: School Construction Grants	13010-DAS28000-40901	<u>2,386,257</u>
Department of Education: Education Cost Sharing	11000-SDE64000-17041-82010	312,916
Excess Cost - Student Based	11000-SDE64000-17047	562,646
<b>Total Department of Education</b>		<b><u>875,562</u></b>
<b>Total Exempt Programs</b>		<b><u>3,563,511</u></b>
<b>Total State Financial Assistance</b>		<b><u>\$ 4,830,177</u></b>

See notes to schedule of expenditures of state financial assistance.

## **Town of Waterford, Connecticut**

### **Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2017**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of the Town of Waterford, 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. Because the Schedule presents only a selected portion of the operations of the Town of Waterford, 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 Waterford, Connecticut.

#### **Note 2. Summary of Significant Accounting Policies**

The accounting policies of the Town of Waterford, 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 in the Schedule of Expenditures of State Financial Assistance are recognized on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary 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 Waterford, Connecticut**

**Schedule of State Single Audit Compliance Findings and Questioned Costs  
For the Year Ended June 30, 2017**

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**I. Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No

*State Financial Assistance*

Internal control over major programs:

• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X	No
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The following schedule reflects the major programs included in the State Single Audit.

State Grantor and Program	State CORE-CT Number	Expenditures
DOT - Town Aid Road	12001-DOT57000-17036	310,741
OPM - Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	155,763
ECD - Small Town Economic Assistance Program	12052-ECD46000-42411	291,717

Dollar threshold used to distinguish between type A and type B programs \$ 200,000

**II. Financial Statement Findings**

No matters to report.

**III. State Financial Assistance Findings and Questioned Costs**

No matters to report.