



**TOWN OF BLOOMFIELD, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2017**

**TOWN OF BLOOMFIELD, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2017**

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## **Independent Auditors' 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**

To the Members of the Town Council  
Town of Bloomfield, Connecticut

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

We have audited the Town of Bloomfield, 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 Bloomfield, Connecticut's major state programs for the year ended June 30, 2017. The Town of Bloomfield, 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.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Bloomfield, 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 Bloomfield, 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 qualified and unmodified opinions on compliance for major state programs. However, our audit does not provide a legal determination of the Town of Bloomfield, Connecticut's compliance.

#### ***Unmodified Opinion on Each Major State Program***

In our opinion, the Town of Bloomfield, 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 identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major state program is not modified with respect to this matter.

The Town of Bloomfield, Connecticut's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Bloomfield, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of the Town of Bloomfield, 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 Bloomfield, 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 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 of Bloomfield, 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 a 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 Bloomfield, 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 Bloomfield, Connecticut's basic financial statements. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
November 30, 2017

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Education</b>			
Sheff Settlement	11000-SDE64370-12457		\$ 206,075
Family Resource Centers	11000-SDE64370-16110		103,000
Youth Service Bureau Enhancement	11000-SDE64370-16201		6,250
Child Nutrition State Match	11000-SDE64370-16211		11,329
Health Foods Initiative	11000-SDE64370-16212		22,965
Vocational Agriculture	11000-SDE64370-17017		474,952
Adult Education	11000-SDE64370-17030		20,370
Health & Welfare - Private School Pupils	11000-SDE64370-17034		37,560
Alliance District	11000-SDE64370-17041-82164		809,371
School Breakfast Program	11000-SDE64370-17046	\$ 4,338	
School Breakfast Program	11000-SDE64370-17046	<u>13,040</u>	<u>17,378</u>
Youth Service Bureaus	11000-SDE64370-17052		15,499
Magnet Schools	11000-SDE64370-17057	4,625,875	
Magnet Schools	11000-SDE64370-17057	<u>4,000</u>	<u>4,629,875</u>
After School Program	11000-SDE64370-17084		246,626
Commissioner's Network	11000-SDE64405-12547		<u>103,016</u>
Total Department of Education			<u>6,704,266</u>
<b>Connecticut State Library</b>			
Connecticard Payments	11000-CSL66051-17010		8,133
CT Education Network	12052-CSL66011-43649		8,580
Historic Document Preservation	12060-CSL66094-35150		<u>4,000</u>
Total Connecticut State Library			<u>20,713</u>
<b>Department of Children and Families</b>			
Board & Care Foster	11000-DCF91178-16135		<u>48,769</u>
<b>Department of Energy and Environmental Protection</b>			
Community Conservation and Development	13019-DEP43153-41239		<u>200,000</u>

The accompanying notes are an integral part of this schedule

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Transportation</b>			
Bus Operations	12001-DOT57931-12175		\$ 62,069
Town Aid Road Grants-Municipal	12052-DOT57131-43455		<u>336,631</u>
Total Department of Transportation			<u>398,700</u>
<b>Department of Social Services</b>			
Medicaid	11000-DSS60000-16020		<u>13,040</u>
<b>Office of Early Childhood</b>			
Early Care and Education	11000-OEC64841-16274	\$ 12,239	12,239
Child Care Services	11000-OEC64841-16274	57,837	\$ 57,837
Child Care Services	11000-OEC64841-16274	<u>256,088</u>	<u>256,088</u>
			313,925
School Readiness	11000-OEC64845-16274		690,871
School Readiness Quality Enhancement	11000-OEC64845-17097		<u>8,035</u>
Total Office of Early Childhood		<u>326,164</u>	<u>1,025,070</u>
<b>Office of Policy and Management</b>			
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004		14,068
Payment in Lieu of Taxes (PILOT) on Private Colleges	11000-OPM20600-17006		190,614
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011		1,366
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016		90,236
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018		127,096
Property Tax Relief for Veterans	11000-OPM20600-17024		10,827
Inter-Town Capital Equipment (ICE) Purchase Incentive Program	12052-OPM20600-43515		86,821
Municipal Grants-In-Aid	12052-OPM20600-43587		<u>1,432,110</u>
Total Office of Policy and Management			<u>1,953,138</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<b>326,164</b>	<b>10,363,696</b>

The accompanying notes are an integral part of this schedule

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Exempt Programs</b>			
<b>Department of Education</b>			
Education Cost Sharing	11000-SDE64370-17041-82010		\$ 5,389,028
Excess Cost - Student Based	11000-SDE64370-17047	\$ 90,609	
Excess Cost - Student Based	11000-SDE64370-17047	<u>499,057</u>	<u>589,666</u>
Total Department of Education			<u>5,978,694</u>
<b>Department of Administrative Services</b>			
School Construction-Principal SDE	13010-DAS27635-40901		<u>612,841</u>
<b>Office of Policy and Management</b>			
Municipal Revenue Sharing	12002-OPM20600-17102		438,458
Grants To Towns	12009-OPM20600-17005		<u>150,544</u>
Total Office of Policy and Management			<u>589,002</u>
Total Exempt Programs			<u>7,180,537</u>
<b>Total State Financial Assistance</b>		<u>\$ 326,164</u>	<u>\$ 17,544,233</u>

The accompanying notes are an integral part of this schedule

**TOWN OF BLOOMFIELD, 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 the state grant activity of the Town of Bloomfield, Connecticut, under programs of the State of Connecticut for the 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 Bloomfield, 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 Bloomfield, Connecticut.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Bloomfield, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. 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.

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## **Independent Auditors' 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 Members of the Town Council  
Town of Bloomfield, 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 Bloomfield, 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 Bloomfield, Connecticut's basic financial statements, and have issued our report thereon dated November 30, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Bloomfield, 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 Bloomfield, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomfield, 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 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 of Bloomfield, 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 result of that testing, and not to provide an opinion on the effectiveness of the Town of Bloomfield, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bloomfield, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
November 30, 2017

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

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**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' 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

**State Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditors' 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  no

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 Education:		
Magnet Schools	11000-SDE64370-17057	\$ 4,629,875
Vocational Agriculture	11000-SDE64370-17017	474,952
After School Program	11000-SDE64370-17084	246,626
Sheff Settlement	11000-SDE64370-12457	206,075
Office of Early Childhood:		
School Readiness	11000-OEC64845-16274	690,871
Child Care Services	11000-OEC64841-16274	313,925
Department of Transportation:		
Town Aid Road Grants - Municipal	12052-DOT57131-43455	336,631
Dollar threshold used to distinguish between type A and type B programs:		\$ 207,274

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

<b>2017-001</b>	Subrecipient Grant Management
<b>Grantor</b>	State of Connecticut, Office of Early Childhood
<b>Programs</b>	School Readiness, Child Day Care
<b>Core-CT Numbers</b>	11000-OEC64841-16274, 11000-OEC64845-16274
<b>Criteria</b>	Management is responsible for establishing and maintaining procedures over monitoring subrecipient activities, and ensuring that audits are performed and corrective action plans adequately address any monitoring and audit findings.
<b>Condition</b>	During the Town's subrecipient monitoring, they noted that the Bloomfield Early Learning Center Inc. (BELC) received numerous findings in their State Single Audit report for June 30, 2016.
<b>Questioned Costs</b>	No costs were questioned.
<b>Context</b>	The findings in BELC's State Single Audit Report related to the charging of fees for both the Child Day Care and School Readiness Programs, and a reporting finding for the Child Day Care grant. The Town's responsibility over these requirements is limited to identifying compliance requirements to the subrecipient, monitoring subrecipient activities to provide assurance that the subrecipient is in compliance with State requirements, ensuring that subrecipient audits are performed and corrective action plans adequately address any monitoring and audit findings, and reconcile reported expenditures to subrecipient financial records. From our testing it appears that the Town is properly monitoring their subrecipients, but due to the fact that the entire major program was passed through to BELC, inclusion of this note was deemed relevant to the grantor.
<b>Effect</b>	No effect could be determined.
<b>Cause</b>	BELC's internal control policies do not include a review process, and potential errors in reporting are not being identified and corrected on a timely basis.
<b>Recommendation</b>	We recommend that the Town continue to monitor and oversee the activities of their subrecipient to ensure compliance with the corrective action plan to address the findings. We also recommend that the Town contact the Office of Early Childhood to determine whether any additional monitoring should occur.
<b>Views of Responsible Officials and Planned Corrective Actions</b>	BELC management has implemented a system to catch potential conflicts that match students to various state programs. The error was a result of transient students who left the program without notice and were counted in the enrollment numbers at the close of the corresponding month. Monthly reviews of each student in each program are now being done. In addition, there is now tracking of transient students who have left the program mid-month to prevent this error from occurring in future years.