

**TOWN OF SOMERS, CONNECTICUT**

**STATE SINGLE AUDIT REPORTS**

**JUNE 30, 2017**

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**INTERNAL CONTROL AND COMPLIANCE REPORT**

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**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 Board of Finance  
Town of Somers, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Somers, 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 November 16, 2017.

**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.

A handwritten signature in black ink that reads "Mahoney Sabol + Company, LLP". The signature is written in a cursive, flowing style.

Glastonbury, Connecticut  
November 16, 2017

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**STATE SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE CONNECTICUT STATE SINGLE AUDIT ACT,  
AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

To the Board of Finance  
Town of Somers, Connecticut

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

We have audited the Town of Somers, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management's *Compliance Supplement to the State Single Audit Act* 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 state 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 of Somers, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of the Town 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.

### **Purpose of this Report**

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**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated November 16, 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 Connecticut State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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.



Glastonbury, Connecticut  
November 16, 2017

**TOWN OF SOMERS, 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
<b>NONEXEMPT PROGRAMS:</b>		
<b>Connecticut State Library:</b>		
<b>Direct:</b>		
Historic Document Preservation	12060-CSL66094-35150	\$ 4,000
ConnectiCard Payments	11000-CSL66051-17010	2,077
<b>Total Connecticut State Library</b>		<u>6,077</u>
<b>Department of Corrections:</b>		
<b>Direct:</b>		
Infrastructure & Renovation Projects	12021-DOC88271-40060	<u>9,400</u>
<b>Department of Economic and Community Development:</b>		
<b>Direct:</b>		
Brownfield Remediation and Development	12060-ECD46260-35533	227,411
Small Town Economic Assistance Program	12052-ECD46260-42411	135,758
		<u>363,169</u>
<b>Department of Education:</b>		
<b>Direct:</b>		
Open Choice Program	11000-SDE64370-17053	35,452
Open Choice - Sheff Settlement	11000-SDE64370-12457	21,158
Primary Mental Health Grant	11000-SDE64370-12198	19,513
Adult Education	11000-SDE64370-17030	11,290
<b>Total Department of Education</b>		<u>87,413</u>
<b>Department of Emergency Services and Public Protection:</b>		
<b>Direct:</b>		
Fire School Training & Education Extension	12060-DPS32251-35180	<u>435</u>
<b>Department of Justice:</b>		
<b>Direct:</b>		
Non-Budgeted Operating Appropriations	34001-JUD95162-40001	<u>2,423</u>
<b>Office of Policy and Management:</b>		
<b>Direct:</b>		
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	1,364,700
Municipal Grants-In-Aid	12052-OPM20600-43587	82,324
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	59,367
Property Tax Relief for Veterans	11000-OPM20600-17024	6,919
Property Tax Reimbursement Disability Exemption	11000-OPM20600-17011	551
<b>Total Office of Policy and Management</b>		<u>1,513,861</u>
<b>Department of Transportation:</b>		
<b>Direct:</b>		
Town Aid Road Grant	12052-DOT57131-43455	175,786
Road Reconstruction Project	State Project No. 129-112	23,249
Bus Operations	12001-DOT57931-12175	21,615
<b>Total Department of Transportation</b>		<u>220,650</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>2,203,428</u>

*The accompanying note is an integral part of this schedule.*

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

<u>State Grantor; Pass-Through Grantor; Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>EXEMPT PROGRAMS:</b>		
<b>Department of Administrative Services:</b>		
<b>Direct:</b>		
School Construction Grants	13010-DAS27635-40901	\$ 58,594
<b>Department of Education:</b>		
<b>Direct:</b>		
Education Cost Sharing	11000-SDE64370-17041	5,885,030
Excess Cost - Student Based	11000-SDE64370-17047	219,336
<b>Total Department of Education</b>		<u>6,104,366</u>
<b>Office of Policy and Management:</b>		
<b>Direct:</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	1,609,537
Municipal Revenue Sharing	12002-OPM20600-17102	141,697
<b>Total Office of Policy and Management</b>		<u>1,751,234</u>
<b>Total Exempt Programs</b>		<u>7,914,194</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u>\$ 10,117,622</u>

*The accompanying note is an integral part of this schedule.*

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

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Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Somers, Connecticut (the "Town") through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The following is a summary of the more significant policies relating to the aforementioned grant programs.

**BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of state financial assistance is presented in accordance with regulations established by the State of Connecticut, Office of Policy and Management.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

The schedule of expenditures of state financial assistance contained in this report is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. These financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

**TOWN OF SOMERS, CONNECTICUT  
SCHEDULE OF STATE 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? \_\_\_\_\_ 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 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    ✓ No

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

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
<b>Office Policy and Management:</b>		
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	\$ 1,364,700
<b>Department of Economic and Community Development:</b>		
Brownfield Remediation and Development	12060-ECD46260-35533	227,411

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

**II. FINANCIAL STATEMENT FINDINGS**

No financial statement findings were reported.

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

No findings or questioned costs were reported.

**SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS**

There were no prior year audit findings.