

**TOWN OF WINCHESTER, CONNECTICUT**  
**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2007**

**TOWN OF WINCHESTER, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2007**

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**Report of Independent Accountants on Compliance with Requirements  
Applicable to Each Major Program, on Internal Control over  
Compliance in Accordance with OMB Circular A-133  
and on the Schedule of Expenditures of Federal Awards**

Board of Selectmen  
Town of Winchester, Connecticut

Compliance

We have audited the compliance of the Town of Winchester, Connecticut, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Town of Winchester, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Winchester, Connecticut's management. Our responsibility is to express an opinion on the Town of Winchester, Connecticut's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Winchester, 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. Our audit does not provide a legal determination of the Town of Winchester, Connecticut's compliance with those requirements.

In our opinion, the Town of Winchester, Connecticut, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control over Compliance

The management of the Town of Winchester, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Winchester, Connecticut's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Winchester, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the Town's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Schedule of Expenditures of Federal Awards

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 Winchester, Connecticut, as of and for the year ended June 30, 2007 and have issued our report thereon dated December 24, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winchester, Connecticut's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the Town, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

December 24, 2007

**TOWN OF WINCHESTER, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number/ Project Number</b>	<b>Expenditures</b>
<b>United States Department of Agriculture</b>			
<i>Direct Programs:</i>			
Water and Waste Disposal	10.770		\$ 107,002
<i>Passed Through the State of Connecticut Department of Administrative Services</i>			
Food Donation	10.550		18,750
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 30,877
National School Lunch Program	10.555	12060-SDE64370-20560	<u>155,442</u>
			<u>186,319</u>
Total United States Department of Agriculture			<u>312,071</u>
<b>United States Department of Education</b>			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679	222,970
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977	298,671
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	<u>14,693</u>
			313,364
Special Education - Grants for Infants and Families with Disabilities	84.181	12060-DMR51538-20513	1,975
Safe and Drug-Free Schools and Communities - State Grants	84.186	12060-SDE64370-20873	5,347
State Grants for Innovative Programs	84.298	12060-SDE64370-20909	5,074
Education Technology State Grants	84.318	12060-SDE64370-20826	4,059
English Language Acquisition Grants	84.365	12060-SDE64370-20868	4,548

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**TOWN OF WINCHESTER, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number/ Project Number</b>	<b>Expenditures</b>
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858	\$ <u>46,417</u>
Total United States Department of Education			<u>603,754</u>
<b>Environmental Protection Agency</b>			
<i>Direct Programs:</i>			
Brownfield Pilots Cooperative Agreements	66.811		24,614
<i>Passed Through the State of Connecticut Department of Environmental Protection:</i>			
Long Island Sound Restoration Act	66.606	12060-DEP43720-21019	<u>44,200</u>
Total Environmental Protection Agency			<u>68,814</u>
<b>United States Department of Homeland Security</b>			
<i>Direct Program:</i>			
Assistance to Firefighters Grant	97.044		19,189
<i>Passed Through the State of Connecticut Department of Emergency Management and Homeland Security:</i>			
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	12060-EHS99530-21879	\$ 3,979
Homeland Security Grant Program	97.067	12060-EHS99530-21877	<u>52,006</u>
			55,985
Emergency Management Performance Grants	97.042	12060-EHS99660-21881	<u>5,787</u>
Total United States Department of Homeland Security			<u>80,961</u>
<b>United States Department of Justice</b>			
<i>Direct Programs:</i>			
Bulletproof Vest Partnership Program	16.607		<u>650</u>
<b>National Archives and Records Administration</b>			
<i>Passed Through the Connecticut State Library:</i>			
National Historical Publication and Records Grants	89.003	12060-CSL66094-35150	<u>7,000</u>

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**TOWN OF WINCHESTER, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number/ Project Number</u>	<u>Expenditures</u>
<b>United States Department of Transportation</b>			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	12062-DOT57191-22108	\$ 1,913
		12062-DOT57124-22108	173
		12062-DOT57171-22108	<u>5,799</u>
			\$ 7,885
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	12062-DOT57931-21361	<u>4,000</u>
Total United States Department of Transportation			<u>11,885</u>
<b>Total Federal Awards Expended</b>			<u><u>\$ 1,085,135</u></u>

**TOWN OF WINCHESTER, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Various agencies of the Federal Government have made financial assistance available to the Town of Winchester, Connecticut. These grants fund several programs including housing, education, human services, transportation and general government activities.

Note 1 - **Summary of Significant Accounting Policies:**

The accounting policies of the Town of Winchester, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to government entities. 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 federal awards includes the federal grant activity of the Town of Winchester, Connecticut, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - **Noncash Awards:**

Donated commodities in the amount of \$18,750 are included in the Department of Agriculture's Food Donation Program, CFDA #10.550. The amount represents the market value of commodities received.





**Report of Independent Accountants on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Selectmen  
Town of Winchester, Connecticut

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 Winchester, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the Town of Winchester, Connecticut's basic financial statements, and have issued our report thereon dated December 24, 2007. We conducted our audit in accordance with 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Town of Winchester, Connecticut's internal control over financial reporting as a basis for designing our auditing procedures 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 Winchester, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Winchester, Connecticut's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the Town's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Winchester, Connecticut's financial statements are free of 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*.

We noted certain matters that we reported to management of the Town of Winchester, Connecticut, in a separate letter dated December 24, 2007.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the Town, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

December 24, 2007

**TOWN OF WINCHESTER, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

\_\_\_\_\_ yes      X   no

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes    \_\_\_\_\_ no

**II. Financial Statement Findings**

- We issued reports, dated December 24, 2007, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

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

- No findings or questioned costs are reported relating to federal awards.