

**TOWN OF WINCHESTER, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2005**

**TOWN OF WINCHESTER, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2005**

**TABLE OF CONTENTS**

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	1-2
Schedule of Expenditures of Federal Awards	3-4
Notes to Schedule	5
Report of Independent Accountants on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Schedule of Findings and Questioned Costs	8



**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**

To the 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 its major federal program for the year ended June 30, 2005. The Town of Winchester, Connecticut's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 on 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 its major federal program for the year ended June 30, 2005.

**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 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### 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, 2005, and have issued our report thereon dated December 29, 2005. 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 for the information and use of management, the Board of Selectmen, 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 29, 2005

**TOWN OF WINCHESTER, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>United States Department of Education</b>			
<i>Passed Through the State Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679	\$ 239,100
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977	\$ 304,721
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	<u>16,300</u>
			321,021
Safe and Drug-Free Schools and Communities	84.186	12060-SDE64370-20873	7,413
Innovative Education Program Strategies	84.298	12060-SDE64370-20909	9,900
Technology Literacy Challenge Fund	84.318	12060-SDE64370-20826	6,010
Title II Part A Teachers	84.336	12060-SDE64370-20858	71,633
State Program Improvement Grants	84.323		<u>5,320</u>
Total United States Department of Education			<u>660,397</u>
<b>United States Department of Agriculture</b>			
Water and Waste Disposal Loans and Grants	10.770		220,578
<i>Passed Through the State Department of Education:</i>			
Food Distribution Program	10.550		9,896
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	23,911
National School Lunch Program	10.555	12060-SDE64370-20560	<u>147,675</u>
			<u>171,586</u>
Total United States Department of Agriculture			<u>402,060</u>
<b>United States Department of Health and Human Services</b>			
<i>Passed Through the State Department of Social Services:</i>			
Planning Evaluation Enhancement Projects	93.913		<u>6,938</u>

(Continued on next page)

**TOWN OF WINCHESTER, CONECTICUT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant ID Number</u>	<u>Expenditures</u>
<b>United States Department of Transportation</b>			
<i>Passed Through the State Department of Transportation:</i>			
Highway Planning and Construction - Main Street Enhancement	20.205	12062-DOT57171-21142	\$ 3,200
Highway Planning and Construction - Munro Street Bridge	20.205	12001-DOT57171-21133	<u>7,779</u>
Total United States Department of Transportation			<u>10,979</u>
<b>Federal Emergency Management Agency</b>			
<i>Passed Through the State Department of Emergency Management and Homeland Security:</i>			
National Snow Emergency	83.544	12060-MIL36172-21092	<u>51,438</u>
<b>United States Department of Justice</b>			
Bullet Proof Vests	16.607		4,958
Drug Asset Forfeiture	16.579		19,072
<i>Passed Through the State Department of Public Safety:</i>			
Local Law Enforcement Block Grant	16.592	12060-OPM20350-21689	3,600
Combating Underage Drinking	16.540	12060-OPM20350-20933	\$ 30,000
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	12060-OPM20350-20751	<u>11,194</u>
Total United States Department of Justice			<u>68,824</u>
<b>United States Department of Homeland Security</b>			
<i>Passed Through the State Department of Emergency Management and Homeland Security:</i>			
Homeland Security Grant Program	97.067	12060-EHS99660-21881	<u>1,823</u>
<b>United States Environmental Protection Agency</b>			
<i>Passed Through the State Department of Environmental Protection</i>			
Brownfield Pilots Cooperative Agreements	66.811		<u>38,523</u>
<b>Total Federal Awards Expended</b>			<b>\$ <u>1,240,982</u></b>

**TOWN OF WINCHESTER, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 - Noncash Awards:**

Donated commodities in the amount of \$9,896 are included in the Department of Agriculture's Food Distribution Program, CFDA #10.550. The amount represents the market value of commodities received.

# BlumShapiro

## **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***

To the 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, 2005, which collectively comprise the Town of Winchester, Connecticut's basic financial statements, and have issued our report thereon dated December 29, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### 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 29, 2005.

This report is intended for the information and use of management, the Board of Selectmen, 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 29, 2005

**TOWN OF WINCHESTER, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Reportable condition(s) 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
- Reportable condition(s) 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**

None

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

None