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

JUNE 30, 2001

TOWN OF WINCHESTER, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

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To the Board of Selectmen
Town of Winchester, Connecticut

**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**

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, 2001. The Town of Winchester, Connecticut's major federal programs are identified in the summary of audit 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 Nonprofit 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 each of its major federal programs for the year ended June 30, 2001.

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 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 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 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 general purpose financial statements of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 26, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management, Board of Selectmen, and 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, PC
October 26, 2001

TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

<u>Program Title and Project Number</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Expenditures</u>
United States Department of Education			
<i>Passed Through the State Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	861-100030101 861-000030101	\$ 87,966 41,696 <u>129,662</u>
Special Education Cluster:			
Special Education - Grants to States	84.027	962-100031101 962-100000042 962-000031101	\$ 111,192 17,000 3,211
Special Education - Preschool Grants	84.173	963-100031101	<u>13,989</u>
			<u>145,392</u>
Safe and Drug-Free Schools and Communities	84.186	929-100031101 929-000031101	2,000 3,213 <u>5,213</u>
Eisenhower Professional Development	84.281	941-100031101 941-000031101	2,323 3,458 <u>5,781</u>
Innovative Education Program Strategies	84.298	942-100030101 942-000030101	9,193 8,510 <u>17,703</u>
Technology Literacy Challenge Fund	84.318	018-000001103	<u>40,000</u>
Class Size Reduction	84.340	903-100030101	<u>30,743</u>
Total United States Department of Education			<u>374,494</u>
United States Department of Agriculture			
<i>Passed Through the State Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	503-100010001 503-000010001	10,853 2,714
National School Lunch Program	10.555	520-100010001	109,897
Special Milk Program for Children	10.556	301-100000001	<u>1,254</u>
			124,718

TOWN OF WINCHESTER, CONNECTICUT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2001

<u>Program Title and Project Number</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Expenditures</u>
Food Distribution Program	10.550		\$ 19,364
Water and Waste Disposal Systems for Rural Communities	10.760		623,140
Total United States Department of Agriculture			<u>767,222</u>
United States Department of Transportation			
Highway Planning and Construction	20.205		100,876
Riverfront Recapture			<u>17,174</u>
			118,050
Alcohol Traffic Safety and Drunk Driving	20.601		<u>3,445</u>
Total United States Department of Transportation			<u>121,495</u>
United States Department of Housing and Urban Development			
<i>Passed Through the State Department of Economic and Community Development:</i>			
Community Development Block Grant/Small Cities	14.219		<u>248,214</u>
United States Department of Justice Assistance			
Copsmore Grant	16.710		79,611
<i>Passed Through the State Department of Public Safety:</i>			
Local Officer Incentive Program	16.579		<u>24,000</u>
Total United States Department of Justice Assistance			<u>103,611</u>
United States Department of Environmental Protection			
<i>Passed Through the State Department of Environmental Protection:</i>			
Brownfield Pilots Cooperative Agreements	66.811		<u>126,204</u>
Total Federal Awards Expended			<u>\$ 1,741,240</u>

TOWN OF WINCHESTER, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

Various departments and agencies of the United States have provided financial assistance to the Town of Winchester, Connecticut, through grants and other authorizations. The financial assistance programs fund several programs including education program, water and waste disposal programs, transportation programs and housing programs.

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. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

Note 2 - Noncash Awards:

Donated commodities in the amount of \$19,364 are included in the Department of Agriculture's Food Distribution Program, CFDA #10.550. The amount represents the market value of commodities received.

Note 3 - Loans:

The Town had Farmers' Home Administration loans with outstanding balances totaling \$10,104,054 at June 30, 2001.



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To the Board of Selectmen
Town of Winchester, Connecticut

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

We have audited the general purpose financial statements of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2001 and have issued our report thereon, dated October 26, 2001. 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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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.

This report is intended for the information of management, Board of Selectmen, and 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.
October 26, 2001

TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Winchester, Connecticut.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Winchester, Connecticut, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Town of Winchester, Connecticut, expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Town of Winchester, Connecticut, and, accordingly, no findings are reported in Part C of this schedule.
7. The programs tested as major programs included:

<u>CFDA #</u>	<u>Program Name</u>
10.760	Water and Waste Disposal Systems for Rural Communities

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Town of Winchester, Connecticut, was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None