

Report on Federal Awards

*Town of Wethersfield,
Connecticut*

*Year Ended June 30, 2005
With Independent Auditors' Report*

TOWN OF WETHERSFIELD, CONNECTICUT

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To the Honorable Mayor and Town Council
Town of Wethersfield
Wethersfield, Connecticut

In accordance with federal requirements, we present the following report which describes the results of our testing of federal awards.

Compliance

We have audited the compliance of the Town of Wethersfield (the “Town”) 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, 2005. The 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’s management. Our responsibility is to express an opinion on 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’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’s compliance with those requirements.

In our opinion, the Town 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, 2005.

Internal Control Over Compliance

The management of the Town 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 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 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, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2005, and have issued our report thereon dated December 2, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town'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 Mayor, Town Council, Board of Education, 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.

December 2, 2005

TOWN OF WETHERSFIELD, CONNECTICUT

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
U.S. Department of Agriculture		
Passed through the State Department of Education:		
Child Nutrition Cluster:		
School Breakfast Programs	10.553	\$ 195,934
National School Lunch Program	10.555	16,107
Food Distribution Program	10.550	<u>53,799</u>
Total U.S. Department of Agriculture		<u>265,840</u>
U.S. Department of Housing and Urban Development		
Passed through State Department of Economic and Community Development:		
CDBG - Entitlement and Small Cities Cluster:		
Community Development Block Grant - Small Cities	14.219	<u>151,957</u>
Department of Homeland Security		
Passed through the State Military Department:		
Emergency Management Assistance	97.042	<u>1,500</u>
U.S. Department of Education		
Passed through the State Department of Education:		
Title I Grants to Local Educational Agencies:		
Project Nos.:	84.010	
12060-20679-2004		37,550
12060-20679-2005		<u>105,295</u>
Total		<u>142,845</u>

**TOWN OF WETHERSFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, ETC.**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
U.S. Department of Education (continued)		
Passed through the State Department of Education (cont.):		
Special Education Cluster:		
Special Education - Grants to States:	84.027	
Project Nos.:		
12060-20977-2004		\$ 125,353
12060-20977-2005		355,560
12060-20977-2005		<u>5,114</u>
Total.....		<u>486,027</u>
Special Education - Preschool Grants:	84.173	
Project Nos.:		
12060-20983-2004		3,185
12060-20983-2005		<u>4,400</u>
Total.....		<u>7,585</u>
Safe and Drug-Free Schools and Communities:	84.186	
Project Nos.:		
12060-20873-2004		1,075
12060-20873-2005		<u>9,745</u>
Total.....		<u>10,820</u>
Perkins - Tech Prep:	84.243	
Project No. 12060-20742-2005		<u>29,028</u>
State Grants for Innovative Programs:	84.298	
Project Nos.:		
12060-20909-2004		8,932
12060-20909-2005		<u>307</u>
Total.....		<u>9,239</u>

**TOWN OF WETHERSFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, ETC.**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
U.S. Department of Education (continued)		
Passed through the State Department of Education (cont.):		
Technology Literacy Challenge Fund:	84.318	
Project Nos.:		
12060-20826-2004		\$ 408
12060-20826-2005		<u>2,926</u>
Total.....		<u>3,334</u>
English Language Acquisition Grants:	84.365	
Project Nos.:		
12060-20868-2004		10,953
12060-20868-2005		<u>21,355</u>
Total.....		<u>32,308</u>
Title II – Part A Teachers:	99.125	
Project Nos.:		
12060-20858-2004		23,441
12060-20858-2005		<u>43,179</u>
Total.....		<u>66,620</u>
Total U.S. Department of Education		<u>787,806</u>
U.S. Department of Justice		
Passed through the State Office of Policy and Management:		
Comprehensive Approach to Combating Underage Drinking.....	16.727	565
Local Law Enforcement Block Grant.....	16.592	<u>5,400</u>
Total.....		<u>5,965</u>
U.S. Department of Health and Human Services		
Passed through the State Department of Social Services:		
Social Services Block Grant.....	93.667	<u>12,071</u>

**TOWN OF WETHERSFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, ETC.**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
U.S. Department of Transportation		
Direct Program:		
Safety Incentive Grants for Use of Seatbelts	20.604	\$ 2,629
Passed through the State Department of Transportation:		
State and Community Highway Safety	20.600	<u>5,398</u>
Total U.S. Department of Transportation.....		<u>8,027</u>
TOTAL.....		<u>\$1,233,166</u>

See Notes to Schedules

TOWN OF WETHERSFIELD, CONNECTICUT

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

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued – unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Reportable conditions identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Reportable conditions identified that are not considered to be material weaknesses? yes none reported

Type of auditors' 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 no

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

Federal Grantor and Program	Federal CFDA Number	Expenditures
U.S. Department of Education:		
Special Education Cluster:		
Special Education – Grants to States	84.027	\$486,027
Special Education – Preschool Grants	84.173	\$7,585

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

- The Town qualified as a low-risk auditee? yes no

**TOWN OF WETHERSFIELD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, ETC.**

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 2, 2005, 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 reportable conditions.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

TOWN OF WETHERSFIELD, CONNECTICUT

FEDERAL AWARD PROGRAMS

**NOTES TO SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2005**

Various agencies of the Federal Government have made financial assistance available to the Town of Wethersfield. These grants fund several programs including education, tax reimbursement, transportation and public safety, and general government activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the Federal grant programs of the Town of Wethersfield are maintained in separate funds. The accounting policies of the Town conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

The financial statements contained in the Town's annual audit report are prepared on the modified accrual basis. The following is a summary of such basis:

- . Revenues are recognized when earned. Certain grants are recognized based on grant award since they are considered entitlement grants; other grants, which are dependent upon expenditure factor for determining eligibility recognize grant revenue to the extent of expenditures.
- . Expenditures are recorded on the accrual basis. Encumbrances are reflected as a reserve against fund balance and accordingly are not reflected as an expenditure.

U.S.D.A. Contributions

The United States Department of Agriculture makes available commodities for donations to schools. An amount of \$53,799 is reflected in the accompanying financial schedules and represents the market value of such commodities received during the period.