

**TOWN OF WETHERSFIELD, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2011**

**TOWN OF WETHERSFIELD, CONNECTICUT**

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**JUNE 30, 2011**

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**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, on Internal Control over Compliance in Accordance with the State Single Audit Act and on the Schedule of Expenditures of State Financial Assistance**

To the Members of the Town Council  
Town of Wethersfield, Connecticut

**Compliance**

We have audited the Town of Wethersfield, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Wethersfield, Connecticut's major state programs for the year ended June 30, 2011. The Town of Wethersfield, Connecticut's major state 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 state programs is the responsibility of the Town of Wethersfield, Connecticut's management. Our responsibility is to express an opinion on the Town of Wethersfield, 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 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 of Wethersfield, 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 Wethersfield, Connecticut's compliance with those requirements.

In our opinion, the Town of Wethersfield, Connecticut, complied, in all material respects, with the 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, 2011.

## **Internal Control over Compliance**

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

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 deficiencies, 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 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 of Wethersfield, Connecticut, as of and for the year ended June 30, 2011 and have issued our report thereon dated November 29, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wethersfield, Connecticut's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 Town Council, the Board of Education and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

November 29, 2011

**TOWN OF WETHERSFIELD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Office of the State Comptroller</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	\$ <u>243,998</u>
<b>Department of Economic and Community Development</b>		
Payment In Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	20,427
Small Town Economic Assistance Program (STEAP)	12052-ECD46555-42411	86,800
Urban Action Bonds	13019-ECD46000-41240	<u>15,020</u>
Total Department of Economic and Community Development		<u>122,247</u>
<b>Department of Education</b>		
Sheff Settlement	11000-SDE64370-12457	29,600
Youth Services Bureau - Enhancement	11000-SDE64370-16201	6,250
Adult Education	11000-SDE64370-17030	27,479
Health Services	11000-SDE64370-17034	22,019
Youth Services Bureau	11000-SDE64370-17052	21,678
Open Choice	11000-SDE64370-17053	89,161
Magnet Schools	11000-SDE64370-17057	40,308
Health Foods Initiative	11000-SDE64370-16212	26,170
Child Nutrition State Match	11000-SDE64370-16211	<u>13,719</u>
Total Department of Education		<u>276,384</u>
<b>Department of Environmental Protection</b>		
Boating Account	12060-DEP44000-35403	<u>2,946</u>

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**TOWN OF WETHERSFIELD, CONNECTICUT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Connecticut State Library</b>		
Grants to Public Libraries	11000-CSL66051-17003	\$ 2,639
ConnectiCard Payments	11000-CSL66051-17010	13,440
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>6,000</u>
Total Connecticut State Library		<u>22,079</u>
<b>Office of Policy and Management</b>		
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	3,340
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	226,742
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Veterans	11000-OPM20600-17024	37,060
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	17,343
Local Capital Improvement Program	12050-OPM20600-40254	364,005
Municipal Video Competition	12060-OPM20600-35362	<u>12,822</u>
Total Office of Policy and Management		<u>663,312</u>
<b>Department of Public Safety</b>		
Telecommunications Fund	12060-DPS32740-35190	1,673
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	4,442
Collect System	12060-DPS32619-35229	<u>1,807</u>
Total Department of Public Safety		<u>7,922</u>

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**TOWN OF WETHERSFIELD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Department of Social Services</b>		
Community Services	11000-DSS60783-17083	\$ <u>1,575</u>
<b>Department of Transportation</b>		
Town Aid Road Grants - Municipal	12052-DOT57000-43455	53,336
Town Aid Road - STO	13033-DOT57131-43459	146,675
Bus Operations	12001-DOT57000-12175	<u>90,000</u>
Total Department of Transportation		<u>290,011</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>1,630,474</u>
<b>Exempt Programs</b>		
<b>Office of the State Comptroller</b>		
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	<u>216,600</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64370-17027	110,287
Educational Cost Sharing	11000-SDE64370-17041	6,906,933
Excess Costs Student Based and Equity	11000-SDE64370-17047	1,026,433
Nonpublic School Transportation	11000-SDE64370-17049	16,517
School Construction Grants	13009-SDE64370-40896	14,104
School Construction Grants	13010-SDE64370-40901	<u>142,047</u>
Total Department of Education		<u>8,216,321</u>
Total Exempt Programs		<u>8,432,921</u>
<b>Total State Financial Assistance</b>		<u>\$ <u>10,063,395</u></u>

**TOWN OF WETHERSFIELD, CONNECTICUT  
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Wethersfield, Connecticut, through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. The financial assistance programs fund several programs including education, tax reimbursement, transportation, library and public safety.

**NOTE - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, if measurable.

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 grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.



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**Independent Auditors' 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 Members of the Town Council  
Town of Wethersfield, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wethersfield, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town of Wethersfield, Connecticut's basic financial statements, and have issued our report thereon dated November 29, 2011. 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 Wethersfield, 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 Wethersfield, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Wethersfield, Connecticut's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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 Wethersfield, 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 Wethersfield, Connecticut, in a separate letter dated November 29, 2011.

This report is intended solely for the information and use of management, the Town Council, the Board of Education and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

November 29, 2011

**TOWN OF WETHERSFIELD, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes        X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

**State Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes        X   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 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ yes        X   no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of the State Comptroller:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	\$ 243,998
Office of Policy and Management:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	226,742
Local Capital Improvement Program	12050-OPM20600-40254	364,005

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

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.