

McGladrey & Pullen

Certified Public Accountants

TOWN OF WINDSOR, CONNECTICUT

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORT
FISCAL YEAR ENDED JUNE 30, 2006**

TOWN OF WINDSOR, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORT

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Compliance: We have audited the compliance of the Town of Windsor, 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, 2006. The Town of Windsor, Connecticut's major federal program is identified in the summary of independent 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 Windsor, Connecticut's management. Our responsibility is to express an opinion on the Town of Windsor, 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 Windsor, 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 Windsor, Connecticut's compliance with those requirements.

In our opinion, the Town of Windsor, 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, 2006.

Internal Control Over Compliance: The management of the Town of Windsor, 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 Windsor, 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 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 Windsor, Connecticut as of and for the year ended June 30, 2006, and have issued our report thereon dated December 13, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor'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 the Town Council and management of the Town of Windsor, Connecticut and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 13, 2006

TOWN OF WINDSOR, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	New Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture/ Passed through the State of Connecticut Department of Education			
Nutrition Cluster:			
School Breakfast	10.553	12060-SDE64370-20508	\$ 60,299
National School Lunch	10.555	12060-SDE64370-20560	484,608
Total U.S. Department of Agriculture			<u>544,907</u>
U.S. Department of Education/ Passed through the State of Connecticut Department of Education			
Title I	84.010	12060-SDE64370-20679	<u>129,338</u>
Special Education Cluster			
IDEA - Part B	84.027	12060-SDE64370-20977	826,725
Sliver Grant - IDEA	84.027	12060-SDE64370-20977	9,654
			<u>836,379</u>
Handicapped Preschool Incentive Grant	84.173	12060-SDE64370-20983	<u>33,288</u>
Total Special Education Cluster			<u>869,667</u>
Vocational Education - Perkins Act	84.048	12060-SDE64370-20742	<u>35,169</u>
Adult Education	84.002	12060-SDE64370-20784	<u>80,467</u>
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	<u>14,134</u>
Title III Language	84.365	12060-SDE64370-20868	<u>9,390</u>
Title V - Innovative Education Strategies	84.298	12060-SDE64370-20909	<u>19,282</u>
Title II - Part D - Technology	84.318	12060-SDE64370-20826	<u>5,189</u>
Title II - Part A - Teachers	84.367	12060-SDE64370-20858	<u>85,228</u>
Hurricane Education Recovery Act Programs	84.938	12060-SDE64370-22038	<u>17,753</u>
Total U.S. Department of Education			<u>1,265,617</u>

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	New Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Justice			
Passed through State Department of Public Safety			
Asset Forfeiture	16.579	12060-DPS32155-35142	1,172
Enhanced 911 Telecomm Fund	16.xxx	12060-DPS32740-35190	295
Total U.S. Department of Justice			1,467
U.S. Department of Housing and Urban Development/			
Passed through State Department of Economic and Community Development			
Small Cities Block Grant	14.219	12060-ECD46350-20730	163,980
U.S. Department of Public Health			
Passed through the State Department of Public Health			
Bioterrorism Preparedness	93.283	12060-DPH48553-21096	120,914
Unintentional Injury Prevention	93.991	12060-DPH48558-21530	2,299
			123,213
Emergency Homeland Security			
Direct Program:			
FEMA Public Assistance	97.306	N/A	66,256
Emergency Management Performance Grant	97.306	N/A	1,600
Total Emergency Homeland Security			67,856
Total expenditures of federal awards			\$ 2,167,040

Notes to Schedule of Expenditures of Federal Awards

Expenditures:

Expenditures are recognized on the modified accrual basis of accounting.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006

A. SUMMARY OF INDEPENDENT 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? X Yes 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

<u>CFDA Numbers</u>	<u>Program Name or Cluster</u>
10.553/10.555	Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs	<u> \$300,000 </u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

**I. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

A. Reportable Conditions in Internal Control

IC06-1. Criteria:

Student activity funds do not have adequate internal controls over financial reporting.

Condition:

For certain transactions, disbursement vouchers are not maintained, invoices are not approved, and deposit slips are not maintained. For certain transactions, there are no receipts maintained.

Context:

Certain receipts did not have deposit slips or receipt vouchers. Certain disbursements were not properly approved and vouchers were not maintained.

Effect:

To safeguard and properly record the assets, all receipts and disbursements must be maintained and properly approved.

Cause:

Lack of adequate controls over the student activity transactions.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

Recommendation:

All disbursements should have vouchers and should be approved by two individuals, the department head and the Principal, to ensure propriety of the expenditure. For collections, there should be receipt vouchers to support the amounts collected. These procedures should provide for more accurate reporting of student activity transactions and proper documentation. In addition, historical records for deposits and bank transactions should be maintained in accordance with record retention guidelines.

IC06-2. Criteria:

For all it's funds the Board of Education must provide a timely and accurate trial balance at the close of the year.

Condition:

The Board of Education could not provide in a timely manner trial balances for the Educational Grant Program Fund and the Treehouse Fund as of June 30, 2006.

Context:

The funds were not completed and reconciled in a timely manner.

Cause:

A general ledger system is not maintained. The Town records the cash receipts and revenue activity and the Board of Education records the cash receipt, disbursement and expenditure transactions. The Town Finance Department reconciles the cash balance to the bank statement.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

Effect:

To safeguard and properly record the assets and enable accurate financial reporting, every trial balance account must be properly measured and accounted for in accordance with generally accepted accounting principles.

Recommendation:

Upon implementation of the general ledger system, all activity including balance sheet and income and expenditure transactions should be reconciled between the Board of Education and Town Finance Department and all activity should be entered into a general ledger. The use of a general ledger system improves internal controls, assists in the balancing of financial data, and enhances internal and grantor reporting.

IC06-3. Criteria:

The Planning, Zoning and Building office maintains one cash register in their department. The register can be accessed by many individuals.

Condition:

There is a risk of misappropriation of cash by not having adequate safeguards over cash.

Context:

The register is not restricted to specified individuals by key or code.

Effect:

Misappropriation of cash.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

Cause:

The Town has not provided a locked drawer or limited access to the register.

Recommendation:

The cash register should only be maintained by a few individuals and should be locked when it is not in use. The cash register should be counted on a daily basis and the cash should be removed and locked in a vault.

IC06-4. Criteria:

It was noted that the Town does not reconcile its CDBG loan subsidiary ledger to the general ledger system on a monthly basis.

Condition:

The Town could not provide a loan subsidiary ledger in a timely manner that reconciled to the control account in the general ledger.

Context:

CDBG is responsible for the subsidiary ledger which should be reconciled to the control ledger on a periodic basis.

Effect:

To properly record the liabilities and assets and to ensure accurate financial reporting, each account must be properly reconciled and accounted for in accordance with generally accepted accounting principles.

Cause:

Adequate reconciliations were not performed during the year to compile the accounting records in a timely manner.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

Recommendation:

All loan subsidiary ledgers must be reconciled to the general ledger system on a monthly basis to prevent significant differences at year-end.

IC06-5. Criteria:

Certain employee travel expenses were not properly approved.

Condition:

Employees did not fill out the proper employee travel reimbursement forms, and therefore did not have the proper approval

Context:

The travel expenses were not properly authorized by the department head and assistant finance director.

Cause:

Misappropriation of cash due to a lack of internal control procedures.

Effect:

The expenses were not approved due to a lack of a formal reimbursement policy.

Recommendation:

All travel reimbursement expenses should be submitted on a travel reimbursement form and approved by the department head and assistant finance directors. This would reduce the risk of inappropriate expenditures of Town funds.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006

B. Compliance Findings

None reported.

II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Internal Control

None reported.

B. Compliance Findings

None reported.

**TOWN OF WINDSOR, CONNECTICUT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2006**

There were no findings relative to federal awards disclosed in the prior year's single audit.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Town Council
Town of Windsor, 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 Windsor, Connecticut as of and for the year ended June 30, 2006 that collectively comprise the Town of Windsor's basic financial statements, and have issued our report thereon dated December 13, 2006. 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 Windsor, 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 an opinion on internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Windsor, Connecticut's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items IC06-1 to IC06-5.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are material weaknesses. We believe that none of the reportable conditions described above are material weaknesses.

Compliance and Other Matters: As part of obtaining reasonable assurance about whether the Town of Windsor, Connecticut's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 also noted other matters involving the internal control over financial reporting which are not deemed to be reportable conditions that we have reported to management of the Town of Windsor, Connecticut in a separate letter dated December 13, 2006.

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

McGladrey & Pullen, LLP

New Haven, Connecticut
December 13, 2006

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE STATE SINGLE AUDIT ACT AND ON THE SCHEDULE
OF AWARDS/EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

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

Compliance:

We have audited the compliance of the Town of Windsor, Connecticut with the types of compliance requirements described in the "Office of Policy and Management Compliance Supplement" that are applicable to each of its major state programs for the year ended June 30, 2006. The major state programs are identified in the summary of audit results section of the accompanying schedule of state single audit compliance 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 Windsor, Connecticut'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 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 Windsor, 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 Windsor, Connecticut's compliance with those requirements.

In our opinion, the Town of Windsor, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2006.

Internal Control Over Compliance:

The management of the Town of Windsor, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state 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 state 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 the State Single Audit Act.

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 state 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 Awards/Expenditures of State Financial Assistance:

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 Windsor, Connecticut as of and for the year ended June 30, 2006, and have issued our report thereon dated December 13, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor's basic financial statements taken as a whole. The accompanying schedule of awards/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 the management and the Town Council of the Town of Windsor, Connecticut, the Office of Policy and Management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 13, 2006

TOWN OF WINDSOR, CONNECTICUT

**SCHEDULE OF AWARDS/EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2006**

State Grantor/Pass-Through Grantor/Program Title	New Pass Through Grantor's Number	State Awards/ Expenditures
State Department of Education:		
School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	\$ 106,972
Computer Assisted Writing Instruction and Testing	11000-SDE64370-12332	45,662
Child Care Food Program	12060-SDE64370-20518	20,472
Health and Welfare	11000-SDE64370-17034	43,793
Tech Literacy Challenge Fund	12060-SDE63470-20826	1,500
Youth Service Bureaus	11000-SDE64370-17052	19,948
Interdistrict Cooperative	11000-SDE64370-17045	116,114
Open Choice Program	11000-SDE64370-17053	22,000
Early Reading Success	11000-SDE64370-17056	72,706
School Breakfast	11000-SDE64370-17046	3,328
Family Resource Center	11000-SDE64370-16110	101,863
Omnibus Grants State Superintendent Schools	11000-SDE64370-16072	25,360
Magnet School Transportation	11000-SDE64370-17057	52,800
		<u>632,518</u>
Social Services:		
Social Services Block Grant	12060-DSS60783-20701	5,500
Education of Handicapped Blind Children	11000-ESB65020-12060	27,040
		<u>32,540</u>
Connecticut State Library:		
Grants to Public Libraries	11000-CSL66051-17003	2,340
Connecticard	11000-CSL66051-17010	1,536
Historic Documents Preservation	12060-CSL66094-35150	12,000
		<u>15,876</u>
State Office of Policy and Management:		
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	851,756
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	3,855
Property Tax Relief for Eldery Homeowners	11000-OPM20600-17018	186,476
Property Tax Relief for Veterans	11000-OPM20600-17024	26,161
Local Capital Improvement Program	12050-OPM20600-40254	331,115
Justice Assistance Grants	11000-OPM20350-12251	250
Reimburse Property Tax-Disabled Exemption	11000-OPM20600-17011	1,778
Local Law Enforcement	12060-OPM20350-21689	2,250
Mashantucket Pequot Fund	12009-OSC15910-17005	174,531
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OSC15910-17004	82,985
		<u>1,661,157</u>

N/A – State program identification number not available.

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

**SCHEDULE OF AWARDS/EXPENDITURES OF STATE FINANCIAL ASSISTANCE,
Continued
For the Year Ended June 30, 2006**

State Grantor/Pass-Through Grantor/Program Title	New Pass Through Grantor's Number	State Awards/ Expenditures
State Department of Public Health:		
Health Services - Per Capita	11000-DPH48558-17009	<u>26,851</u>
State Department of Transportation:		
Town Aid Road	12001-DOT57131-17036	195,619
Federal Highway Safety Grants	12062-DOT57116-20559	55,724
STP Areas Under 200,000	13033-DOT57125-21648	27,600
Urban Systems	13033-DOT57123-41392	<u>3,449</u>
		<u>282,392</u>
State Comptroller:		
Boat Grant	12027-OSC15910-40211	<u>15,623</u>
Commission on Arts, Tourism, Culture, History and Film		
Basic Cultural Resources Grant	11000-CAT45220-17067	<u>1,740</u>
Veterans		
Veteran Headstones	12010-DVA21134-16049	<u>2,870</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		<u>2,671,567</u>
EXEMPT PROGRAMS		
Education Cost Sharing	11000-SDE64370-17041	9,178,650
Transportation of School Children	11000-SDE64370-17027	318,760
Special Education-Agency Placements I	11000-SDE64370-17047	308,875
Special Education-Excess Cost	11000-SDE64370-17047	227,844
Nonpublic School Transportation	11000-SDE64370-17049	36,576
School Construction Projects - Interest	13009-SDE64370-40896	135,606
School Construction Projects - Principal	13010-SDE64370-40901	490,977
School Construction Progress Payments	13010-SDE64370-40901	<u>132,966</u>
Total Exempt Programs		<u>10,830,254</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 13,501,821</u>

N/A – State program identification number not available.

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

NOTE TO SCHEDULE OF AWARDS/EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2006

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Windsor, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Windsor, Connecticut conform to accounting principles generally accepted in the United States of America 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 for the governmental fund types contained in the Town of Windsor, Connecticut's basic financial statements are prepared on the modified accrual basis of accounting. The financial statements for the business-type activities are prepared on the full accrual basis of accounting.

The Schedule of Awards/Expenditures of State Financial Assistance, contained in this report, is also prepared on the modified accrual basis of accounting while amounts relating to the business-type activities are reported on the full accrual basis of accounting and on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-5), 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 as awards in the awards/expenditures column of the Schedule of Awards/Expenditures of State Financial Assistance.

As a result, certain classifications of revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for the Schedule of Awards/Expenditures of State Financial Assistance.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2006

I. SUMMARY OF AUDIT 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? X Yes _____ 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
- 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 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 state compliance audit:

State Grantor and Program	State Grant Program Identification Number	State Awards/ Expenditures
Family Resource Center	11000-SDE64370-16110	\$101,863
Town Aid Road	12001-DOT57131-17036	195,619
Property Tax Relief for Manufacturing, Machinery & Equipment	11000-OPM20600-17031	851,756
Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	186,476
Local Capital Improvement Program	12050-OPM20600-40254	331,115
Interdistrict Cooperative	11000-SDE64370-17045	116,114
School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	106,972
Mashantucket Pequot Fund	12009-OSC15910-17005	174,531

TOWN OF WINDSOR, CONNECTICUT

**SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND
QUESTIONED COSTS, Continued
For the Year Ended June 30, 2006**

**II. SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS
REQUIRED UNDER GOVERNMENT AUDITING STANDARDS**

- We issued reports, dated December 13, 2006, on compliance and on internal control over financial reporting and other matters based on an audit of basic financial statements performed in accordance with the standards applicable to financial audits contained in “Government Auditing Standards.”
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting included certain matters that we considered to be reportable conditions. These reportable conditions are described in the accompanying schedule of findings and questioned costs as Item IC06-1 - IC06-5.

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

A. Internal Control

None reported.

B. Compliance

None reported.