

**McGladrey & Pullen**  
Certified Public Accountants

**TOWN OF WINDSOR, CONNECTICUT**

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS  
FISCAL YEAR ENDED JUNE 30, 2007**

**TOWN OF WINDSOR, CONNECTICUT**

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS**

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# McGladrey & Pullen

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT 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 Members of the Town Council  
Town of Windsor, Connecticut

**Compliance:** We have audited the compliance of the Town of Windsor, Connecticut (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, 2007. The Town of Windsor, Connecticut's major federal programs are 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 each of its major federal programs 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 each of its major federal programs for the year ended June 30, 2007.

***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 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 Windsor, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Windsor, Connecticut's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Town of Windsor, Connecticut's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 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, 2007, and have issued our report thereon dated January 28, 2008. 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, "Audits of States, Local Governments and Non-Profit Organizations," 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  
January 28, 2008

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	New Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Agriculture/ Passed through the State of Connecticut Department of Education</b>			
Nutrition Cluster:			
School Breakfast	10.553	12060-SDE64370-20508	\$ 73,681
National School Lunch	10.555	12060-SDE64370-20560	<u>519,029</u>
<b>Total U.S. Department of Agriculture</b>			<u>592,710</u>
<b>U.S. Department of Education/ Passed through the State of Connecticut Department of Education</b>			
Title I	84.010	12060-SDE64370-20679	<u>186,413</u>
Special Education Cluster			
IDEA - Part B	84.027	12060-SDE64370-20977	<u>1,045,517</u>
Handicapped Preschool Incentive Grant	84.173	12060-SDE64370-20983	<u>26,389</u>
<b>Total Special Education Cluster</b>			<u>1,071,906</u>
Vocational Education - Perkins Act	84.048	12060-SDE64370-20742	<u>34,556</u>
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	<u>13,406</u>
Title III Language	84.365	12060-SDE64370-20868	<u>34,492</u>
Title V - Innovative Education Strategies	84.298	12060-SDE64370-20909	<u>9,941</u>
Title II - Part D - Technology	84.318	12060-SDE64370-20826	<u>2,949</u>
Title II - Part A - Teachers	84.367	12060-SDE64370-20858	<u>88,130</u>
<b>Total U.S. Department of Education</b>			<u>1,441,793</u>

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	New Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
<b>Passed through State Department of Public Safety</b>			
Enhanced 911 Telecomm Fund	16.xxx	12060-DPS32740-35190	<u>3,736</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed through State Department of Economic and Community Development</b>			
Small Cities Block Grant	14.219	12060-ECD46350-20730	<u>549,229</u>
<b>U.S. Department of Public Health</b>			
<b>Passed through the State Department of Public Health</b>			
Bioterrorism Preparedness	93.283	12060-DPH48553-21096	<u>57,983</u>
<b>Emergency Homeland Security</b>			
<b>Direct Program:</b>			
FEMA Public Assistance	97.036	12060-EHS99690-21891	64,179
Emergency Management Performance Grant	97.036	12060-EHS99660-21881	<u>1,161</u>
<b>Total Emergency Homeland Security</b>			<u>65,340</u>
<b>U.S. Department of Transportation</b>			
<b>Passed through State Department of Transportation</b>			
Highway Plannign and Construction	20.205	12062-DOT57931-22108	5,440
Federal Highway Safety Grants	20.600	12062-DOT57533-20559	51,115
Alcohol Open Container	20.607	12062-DOT57533-22091	<u>8,329</u>
			<u>64,884</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 2,775,675</u></u>

See Notes to Schedule.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Windsor and is presented on the modified accrual/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.



**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2007**

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**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
- Significant deficiency(ies) 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
- Significant deficiency(ies) 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 Numbers	Program Name or Cluster
84.027/84.173	Special Education Cluster
14.219	Small Cities Block Grant

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

- Auditee qualified as low-risk auditee?   X   Yes        No

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2007

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I. FINANCIAL STATEMENT FINDINGS

A. Significant Deficiencies in Internal Control

IC07-1. **Criteria:**

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

**Condition:**

For certain transactions, invoices are not approved and there are no receipts maintained.

**Context:**

Certain receipts did not have supporting documentation. Certain disbursements were not properly approved.

**Cause:**

Lack of adequate controls over the student activity transactions.

**Effect:**

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

**Recommendation:**

All disbursements 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.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2007

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**IC07-2. Criteria:**

The Board of Education must provide a timely and accurate trial balance at the close of the year for all of its funds.

**Condition:**

The Board of Education could not provide in a timely manner, a trial balance for the Educational Grant Program Fund as of June 30, 2007.

**Context:**

The fund was not completed and reconciled in a timely manner.

**Cause:**

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.

**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:**

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.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2007

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**IC07-3. Criteria:**

In order to maintain proper internal controls, the Town and Board of Education should reconcile all bank accounts to the general ledger on a monthly basis. In addition, all reconciliations must be reviewed and approved by a person independent of the cash receipt and disbursement process.

**Condition:**

Bank reconciliations were not accurately and timely performed for certain Town and Board of Education bank accounts.

**Context:**

Bank reconciliations were not accurately performed on a routine/monthly basis.

**Cause:**

The Town and Board of Education did not maintain proper internal controls, which resulted in the reconciliation of all bank accounts not being accurately reconciled to the general ledger on a monthly basis.

**Effect:**

Transactions may be recorded in error, causing monthly information to be misstated.

**Recommendation:**

All bank accounts should be reconciled on a monthly basis to the general ledger and be properly reviewed.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2007

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**IC07-4. Criteria:**

For several CDBG loans, the activity was not properly recorded in the customer files.

**Condition:**

The Town did not reconcile customer files on a monthly basis.

**Context:**

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

**Cause:**

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

**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.

**Recommendation:**

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

**IC07-5. Criteria:**

There were several bank accounts that have been opened by various organizations that use the Board of Education's federal employer identification number.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2007

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**Condition:**

Bank accounts were opened under the Board of Education's federal identification number that are not assets of the Board of Education.

**Context:**

The Board of Education did not monitor and restrict the use of its federal identification number throughout the year.

**Cause:**

Bank accounts were incorrectly opened under the Board of Education's federal employer identification number.

**Effect:**

The Board of Education could be held liable for bank accounts that do not belong to them.

**Recommendation:**

The Board of Education should place restrictions on the use of its federal employer identification number and monitor its accounts.

**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, 2007**

IC06-1	Repeated as finding IC07-1.
IC06-2	Repeated as finding IC07-2.
IC06-3	Corrected during 2007 fiscal year.
IC06-4	Repeated as finding IC07-5.
IC06-5	Corrected during 2007 fiscal year.

**INDEPENDENT AUDITOR'S 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, 2007, which collectively comprise the Town of Windsor, Connecticut's basic financial statements, and have issued our report thereon dated January 28, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Windsor, Connecticut's internal control over financial reporting. Accordingly, we did not express an opinion on the effectiveness of the Town of Windsor's internal control over financial reporting.

A control deficiency 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 and detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Windsor, Connecticut's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Windsor, Connecticut's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (Items IC07-1 - IC07-5).



A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Windsor, Connecticut's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

***Compliance and Other Matters:*** As part of obtaining reasonable assurance about whether the Town of Windsor, Connecticut's 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 noted certain matters that we reported to management of the Town of Windsor, Connecticut in a separate letter dated January 28, 2008.

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  
January 28, 2008

**INDEPENDENT AUDITOR'S 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  
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, 2007. 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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as items SCF07-1 to SCF07-2.

### **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, 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 Windsor, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Windsor, Connecticut's ability to administer a state program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Town of Windsor, Connecticut's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by an entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 basic 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, 2007, and have issued our report thereon dated January 28, 2008. 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 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  
January 28, 2008

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2007

State Grantor/Pass-Through Grantor/Program Title	Identification Number	State Expenditures
<b>State Department of Education:</b>		
School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	\$ 107,000
Child Care Food Program	12060-SDE64370-20518	18,597
Health and Welfare	11000-SDE64370-17034	41,595
State Funds for Technology Infrastructure	12052-SDE64370-42860	3,980
Youth Service Bureaus	11000-SDE64370-17052	20,003
Interdistrict Cooperative	11000-SDE64370-17045	108,652
Open Choice Program	11000-SDE64370-17053	22,000
Early Reading Success	11000-SDE64370-17056	75,000
School Breakfast	11000-SDE64370-17046	6,493
Family Resource Center	11000-SDE64370-16110	101,094
Child Nutrition Program - School Lunch State Match	11000-SDE64370-16072	76,649
Adult Education	11000-SDE64370-17030	49,444
Magnet School Transportation	11000-SDE64370-17057	27,300
		<u>657,807</u>
<b>Social Services:</b>		
Social Services Block Grant	12060-DSS60783-20701	39,496
Education of Handicapped Blind Children	11000-ESB65020-12060	25,047
		<u>64,543</u>
<b>Connecticut State Library:</b>		
Grants to Public Libraries	11000-CSL66051-17003	2,239
Connecticard	11000-CSL66051-17010	2,399
Public Library Construction	12052-CSL66051-40379	450,000
Historic Documents Preservation	12060-CSL66094-35150	50,000
		<u>504,638</u>
<b>State Office of Policy and Management:</b>		
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	1,244,254
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Eldery Homeowners	11000-OPM20600-17018	186,229
Property Tax Relief for Veterans	11000-OPM20600-17024	24,951
Property Tax Relief	11000-OPM20600-17086	202,402
Local Capital Improvement Program	12050-OPM20600-40254	286,293
Reimburse Property Tax-Disabled Exemption	11000-OPM20600-17011	2,025
Mashantucket Pequot Fund	12009-OSC15910-17005	210,438
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OSC15910-17004	82,872
		<u>2,241,464</u>

N/A – State program identification number not available.

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued  
For the Year Ended June 30, 2007

State Grantor/Pass-Through Grantor/Program Title	Identification Number	State Expenditures
<b>State Department of Public Health:</b>		
Health Services - Per Capita	11000-DPH48500-17009	27,341
EMS Equipment Grant	11000-DPH48500-10020	2,999
		<u>30,340</u>
<b>State Department of Transportation:</b>		
Town Aid Road	12001-DOT57131-17036	<u>205,400</u>
<b>Secretary of State:</b>		
Help Americans to Vote	12060-SOS12500-21465	<u>1,565</u>
<b>State Department of Economic &amp; Community Development</b>		
Small Town Economic Assistance Program	12052-ECD46350-42411	<u>100,000</u>
<b>State Comptroller:</b>		
Boat Grant	12027-OSC15910-40211	<u>15,623</u>
<b>Commission on Arts, Tourism, Culture, History and Film</b>		
National Endowment for the Art	12060-CAT45220-20328	<u>2,871</u>
<b>Veterans</b>		
Veteran Headstones	11000-DVA21134-16049	<u>2,030</u>
<b>Department of Mental Health and Addiction Services</b>		
Drug Assets Forfeiture Funds	12060-DPS32155-35142	<u>18,182</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS</b>		<u>3,844,463</u>
<b>EXEMPT PROGRAMS</b>		
Education Cost Sharing	11000-SDE64370-17041	9,225,852
Transportation of School Children	11000-SDE64370-17027	312,353
Special Education-Agency Placements I	11000-SDE64370-17047	244,648
Special Education-Excess Cost	11000-SDE64370-17047	281,626
Nonpublic School Transportation	11000-SDE64370-17049	37,782
School Construction Projects - Interest	13009-SDE64370-40896	111,366
School Construction Projects - Principal	13010-SDE64370-40901	510,876
School Construction Progress Payments	13010-SDE64370-40901	422,962
<b>Total Exempt Programs</b>		<u>11,147,465</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u>\$ 14,991,928</u>

N/A – State program identification number not available.

See Notes to Schedule.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2007**

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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 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 4-236-22), 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 as expenditures in the expenditures column of the Schedule of 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 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, 2007

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I. SUMMARY OF INDEPENDENT AUDITOR'S AUDIT RESULTS

**Financial Statements**

Type of auditor's report issued: unqualified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) 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
- Significant deficiency(ies) 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?  X  Yes \_\_\_\_\_ No



**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND  
QUESTIONED COSTS  
For the Year Ended June 30, 2007**

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The following schedule reflects the major programs included in the state compliance audit:

<u>State Grantor and Program</u>	<u>State Grant Program Identification Number</u>	<u>State Expenditures</u>
School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	\$ 107,000
Interdistrict Cooperative	11000-SDE64370-17045	108,652
Family Resource Center	11000-SDE64370-16110	101,094
Public Library Construction	12052-CSL66051-40379	450,000
Property Tax Relief for Manufacturing, Machinery & Equipment	11000-OPM20600-17031	1,244,254
Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	186,229
Property Tax Relief	11000-OPM20600-17086	202,402
Local Capital Improvement Program	12050-OPM20600-40254	286,293
Mashantucket Pequot Fund	12009-OSC15910-17005	210,438
Town Aid Road	12001-DOT57131-17036	205,400
Small Town Economic Assistance Program	12052-ECD46350-42411	100,000

**II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated January 28, 2008, on internal control over financial reporting and other matters based on an audit of the 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 significant deficiencies. These significant deficiencies are described in the accompanying schedule of findings and questioned costs as Item IC07-1 - IC07-5.

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

**A. Internal Control**

None reported.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND  
QUESTIONED COSTS  
For the Year Ended June 30, 2007

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**B. Compliance Findings**

**SCF07-1.** Office of Policy and Management, Property Tax Relief for Elderly & Totally Disabled Homeowners - 11000-OPM20600-17018

**Criteria:**

The Town did not comply with the special reporting requirements of the grant.

**Condition:**

The Town did not submit the Form M35-B to the Office of Policy and Management by July 1, 2006.

**Questioned Cost:**

There are no questioned costs.

**Context:**

This grant has been audited in the past with no prior year findings. This finding represents an isolated instance.

**Cause:**

The Town did not have the resources available to file in a timely manner.

**Effect:**

The Town could not identify individuals receiving the tax credit in a timely manner.

**Recommendation:**

The Town should ensure they file the necessary forms to the State, in a timely manner, to comply with the State Single Audit Act.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND  
QUESTIONED COSTS  
For the Year Ended June 30, 2007

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SCF07-2. Department of Transportation, Town Aid Road Grant - 12001-  
DOT57131-17036

**Criteria:**

The Town did not comply with the types of services and costs allowed requirement.

**Condition:**

The Town charged unallowed costs to the grant.

**Questioned Cost:**

\$6,500 was identified.

**Context:**

The finding related only to one expenditure. All other expenditures tested were for allowable costs.

**Cause:**

Town personnel did not charge the proper costs to the grant.

**Effect:**

Disallowed costs were charged to the grant.

**Recommendation:**

The Town should ensure they are familiar with allowable costs, charging the proper costs to the grant to comply with the State Single Audit Act.