

McGladrey & Pullen

Certified Public Accountants

TOWN OF WINDSOR, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS
FISCAL YEAR ENDED JUNE 30, 2008

TOWN OF WINDSOR, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS

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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 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, 2008. 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 its major federal programs are 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 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 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, 2008.

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 noncompliance 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, 2008, and have issued our report thereon dated December 30, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor, Connecticut'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 those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 30, 2008

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	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	\$ 78,000
National School Lunch	10.555	12060-SDE64370-20560	<u>534,541</u>
Total U.S. Department of Agriculture			<u>612,541</u>
U.S. Department of Education/ Passed through the State of Connecticut Department of Education			
Title I	84.010	12060-SDE64370-20679	<u>279,521</u>
Special Education Cluster			
IDEA - Part B	84.027	12060-SDE64370-20977	<u>890,055</u>
Handicapped Preschool Incentive Grant	84.173	12060-SDE64370-20983	<u>35,539</u>
Total Special Education Cluster			<u>925,594</u>
Vocational Education - Perkins Act	84.048	12060-SDE64370-20742	<u>33,083</u>
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	<u>16,390</u>
Title III Language	84.365	12060-SDE64370-20868	<u>17,792</u>
Title V - Innovative Education Strategies	84.298	12060-SDE64370-20909	<u>7,342</u>
Title II - Part D - Technology	84.318	12060-SDE64370-20826	<u>183</u>
Title II - Part A - Teachers	84.367	12060-SDE64370-20858	<u>80,757</u>
Total U.S. Department of Education			<u>1,360,662</u>

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
 For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through State Department of Economic and Community Development			
Small Cities Block Grant	14.228	12060-ECD46350-20730	<u>386,791</u>
U.S. Department of Public Health			
Passed through the State Department of Public Health			
Bioterrorism Preparedness	93.283	12060-DPH48557-21096	96,633
Obesity Reduction	93.991	11000-DPH48500-10020	3,848
Total U.S. Department of Public Health			<u>100,481</u>
Emergency Homeland Security			
Direct Program:			
Emergency Management Performance Grant	97.036	12060-EHS99660-21881	<u>428</u>
U.S. Department of Transportation			
Passed through State Department of Transportation			
Alcohol Traffic Safety Grants	20.601	12062-DOT57533-22086	2,485
Occupant Protection	20.602	12062-DOT57513-22087	17,931
Alcohol Open Container	20.607	12062-DOT57533-22091	25,767
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	12062-DOT57931-35304	74,722
Total U.S. Department of Transportation			<u>120,905</u>
U.S. Federal Election Assistance Commission/ Passed through the State Secretary Department			
Help America Vote	90.401	12060-SOS12500-21465	<u>1,712</u>
Total expenditures of federal awards			<u><u>\$ 2,583,520</u></u>

See Notes to Schedule.

TOWN OF WINDSOR, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2008

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, 2008

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 OMB Circular A-133? Yes X No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
84.027/84.173	Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs	\$300,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

I. FINANCIAL STATEMENT FINDINGS

A. Significant Deficiencies in Internal Control

IC08-1. 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, 2008

IC08-2. 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 Treehouse Fund as of June 30, 2008.

Context:

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

Cause:

The Board of Education did not reconcile its trial balance or post prior year adjusting journal entries in a timely manner.

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 in a timely manner. This will ensure proper reporting in accordance with generally accepted accounting principles.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2008

IC08-3. Criteria:

In order to maintain proper internal controls, the Town 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 bank accounts.

Context:

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

Cause:

The Town 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, 2008

IC08-4 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.

IC08-5 Criteria:

Trial balances must be reviewed and appropriate adjusting journal entries made on a monthly basis to ensure accurate reporting.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2008

Condition:

There were significant adjustments made to the final trial balance such as:

- ◆ Recording inter-fund transfers and deferred revenue.
- ◆ Recording of accounts payable and cash at year-end.
- ◆ Recording of Board of Education Pharmacy insurance activity.

Context:

The Town did not properly close their general ledger system and make appropriate adjustments at year-end.

Cause:

Due to employee turnover, the Town did not have an adequate amount of personnel in the Finance Department to make such entries.

Effect:

The interim financial statements were misstated.

Recommendation:

We recommend that the Town review its month-end and year-end closing procedures.

B. Compliance Findings

None reported.

II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Deficiencies in 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, 2008**

- IC07-1. Repeated as finding IC08-1.
- IC07-2. Repeated as finding IC08-2.
- IC07-3. Repeated as finding IC08-3.
- IC07-4. Repeated as finding IC08-4.
- IC07-5. Corrected during 2008 fiscal year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
THE 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, 2008, which collectively comprise the Town of Windsor, Connecticut's basic financial statements, and have issued our report thereon dated December 30, 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 IC08-1 - IC08-5).

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 December 30, 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 those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 30, 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, 2008. The major state programs are identified in the summary of independent auditor's 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, 2008. However, the results of our auditing procedures disclosed an instance 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 item SCF08-1.

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 state 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 noncompliance 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 the Town of Windsor, Connecticut'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, 2008, and have issued our report thereon dated December 30, 2008. Our audit was performed for the purpose of forming opinions on the 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
December 30, 2008

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2008

State Grantor/Pass-Through Grantor/Program Title	State CORE-CT Number	Expenditures
State Department of Education:		
School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	\$ 106,406
Child Care Food Program	12060-SDE64370-20518	20,257
Health and Welfare	11000-SDE64370-17034	39,616
State Funds for Technology Infrastructure	12052-SDE64370-42860	124,324
Youth Service Bureaus	11000-SDE64370-17052	20,002
Interdistrict Cooperative	11000-SDE64370-17045	219,527
Open Choice Program	11000-SDE64370-17053	30,000
Early Reading Success	11000-SDE64370-17056	82,227
School Breakfast	11000-SDE64370-17046	6,790
Family Resource Center	11000-SDE64370-16110	102,043
Child Nutrition Program - School Lunch State Match	11000-SDE64370-16072	82,117
Adult Education	11000-SDE64370-17030	60,581
Magnet School Transportation	11000-SDE64370-17057	26,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	6,250
Preschool Quality Initiative	11000-SDE64370-12454	16,500
		<u>942,640</u>
Social Services:		
Social Services Block Grant	12060-DSS60783-20701	22,400
Community Services	11000-DSS60783-17083	677
		<u>23,077</u>
Connecticut State Library:		
Grants to Public Libraries	11000-CSL66051-17003	2,589
Connecticard	11000-CSL66051-17010	4,220
Historic Documents Preservation	12060-CSL66094-35150	12,000
		<u>18,809</u>
State Office of Policy and Management:		
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	1,253,072
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Eldery Homeowners	11000-OPM20600-17018	188,792
Property Tax Relief for Veterans	11000-OPM20600-17024	25,594
Local Capital Improvement Program	12050-OPM20600-40254	209,531
Reimburse Property Tax-Disabled Exemption	11000-OPM20600-17011	2,113
Mashantucket Pequot Fund	12009-OSC15910-17005	216,807
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OSC15910-17004	79,212
		<u>1,977,121</u>
Board of Education and Services for the Blind:		
Education of Handicapped Blind Children	11000-ESB65020-12060	62,995

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued

For the Year Ended June 30, 2008

State Grantor/Pass-Through Grantor/Program Title	State CORE-CT Number	Expenditures
State Department of Public Health:		
Health Services - Per Capita	11000-DPH48500-17009	34,499
Obesity Reduction	11000-DPH48500-10020	552
		<u>35,051</u>
State Department of Transportation:		
Town Aid Road	12001-DOT57131-17036	<u>205,717</u>
Department of Environmental Protection:		
Community Conservation and Development	13019-DEP44420-41239	<u>9,500</u>
State Department of Economic & Community Development		
Economic Assistance Bond Fund	12034-ECD46100-40221	<u>2,000,000</u>
State Comptroller:		
Boat Grant	12027-OSC15910-40211	<u>15,623</u>
Veterans		
Veteran Headstones	11000-DVA21134-16049	<u>2,200</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		<u>5,292,733</u>
EXEMPT PROGRAMS		
Education Cost Sharing	11000-SDE64370-17041	11,085,534
Transportation of School Children	11000-SDE64370-17027	418,437
Special Education-Agency Placements I	11000-SDE64370-17047	478,196
Special Education-Excess Cost	11000-SDE64370-17047	542,323
Nonpublic School Transportation	11000-SDE64370-17049	58,184
School Construction Projects - Interest	13009-SDE64370-40896	86,412
School Construction Projects - Principal	13010-SDE64370-40901	513,508
School Construction Progress Payments	13010-SDE64370-40901	54,134
Total Exempt Programs		<u>13,236,728</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 18,529,461</u>

TOWN OF WINDSOR, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2008

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. The financial assistance programs fund several programs including education, public works, social services, property tax relief and public safety.

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 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, 2008

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 No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes 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 No

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND
QUESTIONED COSTS
For the Year Ended June 30, 2008

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

State Grantor and Program	State CORE-CT Number	Expenditures
DOE-School Readiness and Child Care in Severe Needs Schools	11000-SDE64370-12113	\$ 106,406
DOE-State Funds for Technology Infrastructure	12052-SDE64000-40312	124,324
DOE-Interdistrict Cooperative	11000-SDE64370-17045	219,527
DOE-Family Resource Center	11000-SDE64370-16110	102,043
OPM-Property Tax Relief for Manufacturing, Machinery & Equipment	11000-OPM20600-17031	1,253,072
OPM-Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	188,792
OPM-Local Capital Improvement Program	12050-OPM20600-40254	209,531
OPM-Mashantucket Pequot Fund	12009-OSC15910-17005	216,807
DOT-Town Aid Road	12001-DOT57131-17036	205,717
DECD-Economic Assistance Bond Fund	12034-ECD46100-40221	2,000,000

II. FINANCIAL STATEMENT FINDINGS

- ◆ We issued reports, dated December 30, 2008, on internal control over financial reporting and other matters based on an audit of the 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 IC08-I - IC08-5.

III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE

A. Deficiencies in Internal Control

None reported.

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND
QUESTIONED COSTS
For the Year Ended June 30, 2008

B. Compliance Findings

SCF08-1. Department of Economic and Community Development, Economic Assistance Bond Fund - 12034-ECD46100-40221

Criteria:

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

Condition:

The Town did not submit a semi-annual Balance Sheet and Statement of Program Cost 30 days after June 30th and December 31st until expiration of the Finance Plan and Budget.

Questioned Cost:

There are no questioned costs.

Context:

This was a one time grant that was expended in the current year. 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 comply with the Special Reporting requirement as per the agreement.

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
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008**

SCF07-1. Corrected during 2008 fiscal year.

SCF07-2. Corrected during 2008 fiscal year.

