

**McGladrey & Pullen**

Certified Public Accountants

**TOWN OF WINDSOR, CONNECTICUT**

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORT  
FISCAL YEAR ENDED JUNE 30, 2004**

**TOWN OF WINDSOR, CONNECTICUT**

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORT**

**TABLE OF CONTENTS**

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**REPORTS REQUIRED BY THE FEDERAL SINGLE AUDIT ACT AND  
OMB CIRCULAR A-133**

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 .....	1-2
Schedule of Expenditures of Federal Awards.....	3-5
Schedule of Findings and Questioned Costs.....	6-9
Summary of Prior Year Audit Findings.....	10

---

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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 .....	11-12
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**REPORTS REQUIRED BY THE STATE SINGLE AUDIT ACT C.G.S.  
SECTION 4-230 TO 4-236**

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.....	13-14
Schedule of Awards/Expenditures of State Financial Assistance .....	15-16
Note to Schedule of Awards/Expenditures of State Financial Assistance.....	17
Schedule of State Single Audit Compliance Findings and Questioned Costs .....	18-19

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# McGladrey & Pullen

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 each of its major federal programs for the year ended June 30, 2004. 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 its major federal programs for the year ended June 30, 2004.

***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 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, 2004, and have issued our report thereon dated December 10, 2004. 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 10, 2004

**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/Program 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	\$ 43,764
National School Lunch	10.555	12060-SDE64370-20560	393,578
<b>Total U.S. Department of Agriculture</b>			<u>437,342</u>
<b>U.S. Department of Education/ Passed through the State of Connecticut Department of Education</b>			
Title I	84.010	12060-SDE64370-20679	43,493
Title I	84.010	12060-SDE64370-20679	157,691
School Reform Demonstration	84.332	12060-SDE63470-20790	52,650
			<u>253,834</u>
Special Education Cluster			
Title VI - IDEA	84.027	12060-SDE64370-20977	174,260
Title VI - IDEA	84.027	12060-SDE64370-20977	455,963
Sliver Grant - IDEA	84.027	12060-SDE64370-20977	50,000
			<u>680,223</u>
Handicapped Preschool Incentive Grant	84.173	12060-SDE64370-20983	7,682
Handicapped Preschool Incentive Grant	84.173	12060-SDE64370-20983	22,183
			<u>29,865</u>
<b>Total Special Education Cluster</b>			<u>710,088</u>
Vocational Education - Perkins Act	84.048	12060-SDE64370-20742	32,716
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	5,047
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	7,177
			<u>12,224</u>
Title III Language	84.365	12060-SDE64370-20868	22,537
Immigrant Education	84.162	12060-SDE64370-20972	17,009

See Notes to Schedule.

**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
For the Year Ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	New Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Education/ Passed through the State of Connecticut Department of Education, Continued</b>			
Title VI - Innovative Education Strategies	84.298	12060-SDE64370-20909	13,387
Title II - Part D - Technology	84.318	12060-SDE64370-20826	1,502
Title II - Part A - Teachers	84.367	12060-SDE64370-20858	101,633
Comprehensive School Reform	84.332	12060-SDE64370-20790	52,586
<b>Total U.S. Department of Education</b>			1,217,516
<b>U.S. Department of Justice Passed through State Department of Public Safety</b>			
Asset Forfeiture	16.579	12060-DPS32155-35142	13,722
<b>Total U.S. Department of Justice</b>			13,722
<b>U.S. Department of Housing and Urban Development/ Passed through State Department of Economic and Community Development</b>			
Small Cities Block Grant	14.219	12060-ECD46050-20730	53,801
Small Cities Block Grant	14.219	12060-ECD46350-20730	209,724
<b>Total U.S. Department of Housing and Urban Development</b>			263,525
<b>U.S. Department of Public Health Passed through the State Department of Public Health</b>			
Bioterrorism Preparedness	93.283	12060-DPH48553-21096	41,028
<b>Total expenditures of federal awards</b>			\$ 1,973,133

**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**For the Year Ended June 30, 2004**

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**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, 2004**

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**I. 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>
84.027/84.173	Special Education 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, 2004

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

**A. Reportable Conditions in Internal Control**

**IC04-1. Finding:**

There is a lack of segregation of duties in several major departments throughout the Town. In some departments, the same individual who opens the mail, receives checks, makes the deposits, and prepares the cash receipts journal. The journals and the deposit slips are forwarded to Finance. The Finance Department reconciles all of the bank statements. The major departments in which a lack of segregation of duties exist are as follows:

- Building
- Planning and Zoning
- Day Care
- Finance Department

**Recommendation:**

The segregation of duties of the Town's cash receipts could be strengthened by having someone other than the individual who opens the mail prepare the deposit and record the amounts in the cash receipts journal.

**IC04-2. Finding:**

Student activity funds do not have adequate controls. For some transactions, there are no disbursement vouchers maintained, no approval of the invoices, and no deposit slips maintained. For some transactions, there are no receipts maintained. Also, in one instance, an unallowable disbursement was made with student activity funds.

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2004

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**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.

**IC04-3. Finding:**

The Board of Education is the recipient of numerous State and Federal grants. 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.

**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

**IC04-4. internal and grantor reporting.**

**Finding:**

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

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2004

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**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.

**IC04-5. Finding:**

It was noted that the Town does not reconcile its cash accounts to the general ledger system on a monthly basis. Cash accounts are reconciled to the general ledger at year-end only.

**Recommendation:**

All cash accounts must be reconciled to the general ledger system on a monthly basis to prevent significant cash balance differences at year-end.

**B. Compliance Findings**

None reported.

**III. 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, 2004**

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, 2004 that collectively comprise the Town of Windsor's basic financial statements, and have issued our report thereon dated December 10, 2004. 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 IC04-1 to IC04-5.

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 material weaknesses. We believe that none of the reportable conditions described above are material weaknesses.

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 10, 2004.

***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."

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 10, 2004

**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, 2004. 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, 2004.

**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 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 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, 2004, and have issued our report thereon dated December 10, 2004. Our audit was performed for the purpose of forming an opinion on the 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 10, 2004



**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF AWARDS/EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2004**

<b>State Grantor/Pass-Through Grantor/Program Title</b>	<b>New Pass Through Grantor's Number</b>	<b>State Awards/ Expenditures</b>
<b>State Department of Education:</b>		
School Readiness and Child Care in Severe Need		
Schools	11000-SDE64000-12113	\$ 99,983
Child Care Food Program	12060-SDE64370-20518	4,949
Adult Education	11000-SDE64370-17030	206,856
Health and Welfare	11000-SDE64370-17034	38,133
Tech Literacy Challenge Fund	12060-SDE64370-20826	4,499
Youth Service Bureaus	11000-SDE64370-17052	19,476
Interdistrict Cooperative	11000-SDE64370-17045	84,458
Open Choice Program	11000-SDE64370-17053	36,000
Family Resource Center	11000-SDE64370-16110	76,342
Omnibus Grants State Superintendent Schools	11000-SDE64370-16072	25,430
Magnet School Transportation	11000-SDE64370-17057	38,400
		<u>634,526</u>
<b>Social Services:</b>		
Social Services Block Grant	12060-DSS60733-20701	<u>22,975</u>
Education of Handicapped Blind Children	11000-ESB65020-12060	<u>34,981</u>
<b>Connecticut State Library:</b>		
LTSA Grant	11000-CSL66051-17003	3,035
Connecticard	11000-CSL66051-17010	2,335
Historic Documents Preservation	12060-CSL66094-35150	12,000
Historic Preservation Subgrant	12060-CHC45140-20305	9,000
		<u>26,370</u>
<b>State Office of Policy and Management:</b>		
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	1,121,893
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	5,524
Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	190,347
Property Tax Relief for Veterans	11000-OPM20600-17024	34,248
Mashantucket Pequot Fund	12009-OSC15910-17005	194,391
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OSC15910-17004	81,320
FEMA	12060-OPM20600-21748	50,909
Local Capital Improvement Program	12050-OPM20600-40254	84,540
		<u>1,763,172</u>
<b>Department of Economic Development</b>		
Small Town Economic Assistance Program	12052-ECD46060-42411	<u>54,790</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, 2004**

<b>State Grantor/Pass-Through Grantor/Program Title</b>	<b>New Pass Through Grantor's Number</b>	<b>State Awards/ Expenditures</b>
<b>State Department of Public Health:</b>		
Health Services - Per Capita	11000-DPH48558-17009	<u>26,067</u>
<b>State Department of Transportation:</b>		
Town Aid Road	12001-DOT57131-17036	86,598
Bridge Replacement	12062-DOT57141-21133	56,088
Federal Highway Safety Grants	12062-DOT57116-20559	<u>15,457</u>
		<u>158,143</u>
<b>State Comptroller:</b>		
Boat Grant	12027-OSC15910-40211	<u>15,623</u>
<b>Commission on Arts, Tourism, Culture, History and Film</b>		
Basic Cultural Resources Grant	12060-CAT45200-16005	<u>4,255</u>
<b>Department of Children and Families</b>		
Community Based Prevention Program	11000-DCF92630-16092	<u>47,881</u>
<b>Military Department</b>		
Emergency Management Assistance	12060-MIL36172-21092	<u>3,163</u>
<b>Veterans</b>		
Veteran Headstones	12010-DVA21134-16049	<u>3,710</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS</b>		<u>2,795,656</u>
<b>EXEMPT PROGRAMS</b>		
Education Cost Sharing	11000-SDE64370-17041	8,487,334
Transportation of School Children	11000-SDE64370-17027	312,479
Excess Cost - Student Based	11000-SDE64370-17047	103,583
Special Education-Agency Placements I	11000-SDE64370-17047	350,826
Special Education - AP1 - Regular Education	11000-SDE64370-17047	26,526
Special Education-Excess Cost	11000-SDE64370-17047	33,113
Nonpublic School Transportation	11000-SDE64370-17049	36,369
School Construction Projects - Interest	13009-SDE64370-40896	184,817
School Construction Projects - Principal	13010-SDE64370-40901	<u>566,191</u>
<b>Total Exempt Programs</b>		<u>10,101,238</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u><u>\$ 12,896,894</u></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, 2004**

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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 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, 2004**

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**I. SUMMARY OF AUDIT RESULTS**

- We 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 Windsor, Connecticut as of and for the year ended June 30, 2003 and issued our unqualified report thereon dated December 10, 2004.
- We have also issued an unqualified opinion dated December 10, 2004, in relation to the basic financial statements taken as a whole, on the Town of Windsor, Connecticut's Schedule of Awards/Expenditures of State Financial Assistance.
- We have issued an unqualified opinion relating to compliance for major State programs.
- The audit disclosed no material weaknesses in internal control over major State programs.
- The audit disclosed no State compliance findings.
- 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
Mashantucket Pequot Fund	12009-OSC15910-17005	\$ 194,391
Property Tax Relief for Manufacturing, Machinery & Equipment	11000-OPM20600-17031	1,121,893
Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	190,347
Adult Education	11000-SDE64370-17030	206,856

**TOWN OF WINDSOR, CONNECTICUT**

**SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND  
QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2004**

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

- We issued reports, dated December 10, 2004, on compliance and on internal control over financial reporting based on an audit of 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 indicated certain matters that we consider to be reportable conditions. The reportable conditions are described in the accompanying schedule of findings and questioned costs.

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

**A. Internal Control**

None reported.

**B. Compliance**

None reported.