

**TOWN OF EAST HARTFORD, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2012**

**TOWN OF EAST HARTFORD, CONNECTICUT**

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

To the Members of the Town Council  
Town of East Hartford, Connecticut

**Compliance**

We have audited the Town of East Hartford, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of East Hartford, Connecticut's major state programs for the year ended June 30, 2012. The Town of East Hartford, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town of East Hartford, Connecticut's management. Our responsibility is to express an opinion on the Town of East Hartford, Connecticut's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of East Hartford, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of East Hartford, Connecticut's compliance with those requirements.

In our opinion, the Town of East Hartford, Connecticut, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2012.

## **Internal Control over Compliance**

Management of the Town of East Hartford, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Town of East Hartford, Connecticut's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of East Hartford, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of State Financial Assistance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Hartford, Connecticut, as of and for the year ended June 30, 2012 and have issued our report thereon dated December 20, 2012, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town of East Hartford, Connecticut's financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

December 20, 2012

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>Department of Economic and Community Development</b>		
Payment In Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	\$ <u>54,435</u>
<b>Department of Education</b>		
Primary Mental Health	11000-SDE64000-12198	21,850
School Readiness and Child Care in Priority School Districts	11000-SDE64000-17043-82056	2,223,536
Healthy Food Certification	11000-SDE64000-16072-82010	101,465
Head Start Services Grant Program	11000-SDE64000-16101	151,906
Head Start Enhancement Grant Program	11000-SDE64000-16106	172,714
Family Resource Centers	11000-SDE64000-16110	184,333
Youth Services Bureau - Enhancement	11000-SDE84000-16201	8,244
Head Start Link	11000-SDE64000-16202	23,156
Child Nutrition State Matching Grant	11000-SDE64000-16211	46,691
Adult Education	11000-SDE64000-17030	185,452
Health Services	11000-SDE64000-17034	27,384
Bilingual Education	11000-SDE64000-17042	40,655
Priority School Districts	11000-SDE64000-17043-82052	1,204,113
Extended School Hours Program Grant	11000-SDE64000-17043-82054	154,242
Summer School Accountability Grant	11000-SDE64000-17043-82055	177,457
School Breakfast	11000-SDE64000-17046	56,393
Youth Services Bureau	11000-SDE64000-17052	46,643

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**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
Magnet Schools	11000-SDE64000-17057	\$ 1,125,270
After School Program	11000-SDE64000-17084	119,071
School Readiness Quality Enhancement	11000-SDE64000-17097	<u>26,928</u>
Total Department of Education		<u>6,097,503</u>
<b>Department of Energy and Environmental Protection</b>		
Community Conservation & Development	13019-DEP43153-41239	<u>14</u>
<b>Connecticut State Library</b>		
Grants to Public Libraries	11000-CSL66051-17003	1,323
ConnectiCard Payments	11000-CSL66051-17010	1,639
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>6,000</u>
Total Connecticut State Library		<u>8,962</u>
<b>Department of Developmental Services</b>		
Birth to Three	11000-DDS50150-12192	<u>442,793</u>
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	627,734
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	281,580
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	9,863
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	95,153
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	384,526

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**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	\$ 6,000
Property Tax Relief for Veterans	11000-OPM20600-17024	37,762
Local Capital Improvement Program	12050-OPM20600-40254	<u>227,415</u>
Total Office of Policy and Management		<u>1,670,033</u>
<b>Department of Emergency Services and Public Protection</b>		
Telecommunications Fund	12060-DPS32740-35190	70,411
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	<u>9,955</u>
Total Department of Emergency Services and Public Protection		<u>80,366</u>
<b>Department of Social Services</b>		
Medicaid	11000-DSS60000-16020	151,969
Community Services	11000-DSS60783-17083	<u>1,438</u>
Total Department of Social Services		<u>153,407</u>
<b>Department of Transportation</b>		
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036	286,796
Bus Operations	12001-DOT57000-12175	<u>37,680</u>
Total Department of Transportation		<u>324,476</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>8,831,989</u>

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**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Exempt Programs</b>		
<b>Office of Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 310,354
Municipal Revenue Sharing	12060-OPM20600-35458	4,193,625
Municipal Video Competition	12060-OPM20600-35362	<u>4,947</u>
Total Office of Policy and Management		<u>4,508,926</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64000-17027	484,434
Educational Cost Sharing	11000-SDE64000-17041	41,786,570
Excess Costs Student Based and Equity	11000-SDE64000-17047	1,754,929
Nonpublic School Transportation	11000-SDE64000-17049	<u>51,413</u>
Total Department of Education		<u>44,077,346</u>
Total Exempt Programs		<u>48,586,272</u>
<b>Total State Financial Assistance</b>		<u><u>\$ 57,418,261</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of state financial assistance (the Schedule) includes the state grant activity of the Town of East Hartford, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2012. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Town of East Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net assets or cash flows of the Town of East Hartford, Connecticut.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of East Hartford, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance Section 4-236-22 of the Regulations to the State Single Audit Act, 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.



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**Independent Auditors' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Members of the Town Council  
Town of East Hartford, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Hartford, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town of East Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 20, 2012. 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**

Management of the Town of East Hartford, Connecticut is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of East Hartford, Connecticut's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of East Hartford, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of East Hartford, Connecticut's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of East Hartford, Connecticut's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

December 20, 2012

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes X no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes X no

**State Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes X no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ yes X no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
School Readiness and Child Care in Priority School Districts	11000-SDE64000-17043-82056	\$ 2,223,536
Priority School Districts	11000-SDE64000-17043-82052	1,204,113
Magnet Schools	11000-SDE64000-17057	1,125,270
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	627,734
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	281,580

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

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.