

TOWN OF EAST HARTFORD, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2010

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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 OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards

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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of East Hartford, Connecticut's major federal programs for the year ended June 30, 2010. The Town of East Hartford, Connecticut's major federal 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 federal 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 OMB Circular A-133. 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 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 federal programs for the year ended June 30, 2010.

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 federal 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 federal 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 OMB Circular A-133, 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 federal 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 federal 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 Federal Awards

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, 2010 and have issued our report thereon dated November 27, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Hartford, 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 and is not a required part of the basic financial statements. Except for the exclusion of the noncash portion of the Special Supplemental Nutrition Program for Women, Infants and Children (CFDA #10.557) from 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 management, the Town Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Blum, Shapiro & Company, P.C.

November 27, 2010

**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
United States Department of Agriculture			
<i>Direct Programs:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 3,049,019
<i>Passed Through the State of Connecticut Department of Public Health:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	12060-DPH48872-20892	764,023
<i>Passed Through the State of Connecticut Department of Agriculture:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children Food Benefits	10.557	12060-DAG42710-20736	<u>2,458</u>
			\$ 3,815,500
<i>Passed Through the State Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	548,833
National School Lunch Program	10.555	12060-SDE64370-20560	2,077,300
ARRA NSLP Equipment Assistance	10.556	12060-SDE64370-29013	<u>50,393</u>
			2,676,526
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	<u>129,199</u>
Total United States Department of Agriculture			<u>6,621,225</u>
United States Department of Education			
<i>Direct Programs:</i>			
Fund for the Improvement of Education	84.215		309,239
<i>Passed Through the State of Connecticut Department of Education:</i>			
Adult Education	84.002	12060-SDE64370-20784	76,196

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**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679	\$ 2,664,021
Title I Grants to Local Educational Agencies, Recovery Act	84.389	12060-SDE64370-29010	<u>968,902</u>
			\$ 3,632,923
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977	1,743,768
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	73,759
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	12060-SDE64370-29011	548,907
Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	12060-SDE64370-29012	<u>7,523</u>
			2,373,957
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742	164,925
Safe and Drug-Free Schools and Communities - National Programs	84.184	12060-SDE64370-20873	26,660
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863	265,133
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	12060-SDE64370-20826	9,795
Education Technology State Grants, Recovery Act (Enhancing Education Through Technology Program)	84.386	12060-SDE64370-29063	<u>26,460</u>
			36,255
English Language Acquisition Grants	84.365	12060-SDE64370-20868	102,135
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858	479,543
School Improvement Grant	84.377A	12060-SDE64370-22223	50,325
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	12060-SDE64370-29054	3,835,791
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	12060-SDE64370-29053	<u>2,114,882</u>
			5,950,673
Total United States Department of Education			<u>13,467,964</u>

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**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number/ Project Number</u>	<u>Expenditures</u>
United States Department of Health and Human Services			
<i>Direct Programs:</i>			
Drug-Free Communities	93.243		\$ 3,839
STOP Grant	93.276		1,606
<i>Passed Through the North Central Area Agency on Aging:</i>			
<i>Aging Cluster:</i>			
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043		\$ 1,710
National Family Caregiver Support-Title III, Part E	93.052		<u>7,873</u>
			9,583
<i>Passed Through the State of Connecticut Department of Public Health:</i>			
Public Health Emergency Preparedness	93.069	12060-DPH48557-22350 12060-DPH48557-22333	18,825 <u>72,417</u>
			91,242
<i>Immunization Cluster:</i>			
Immunization Grants	93.268	12060-DPH48664-20911	37,584
Preventive Health and Health Services Block Grant	93.991	12060-DPH48558-21530	7,367
<i>Passed Through the Community Renewal Team of Greater Hartford, Inc.:</i>			
<i>Head Start Cluster:</i>			
Head Start	93.600		1,167,702
ARRA - Head Start	93.708		<u>81,682</u>
			<u>1,249,384</u>
Total United States Department of Health and Human Services			<u>1,400,605</u>

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**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
United States Department of Homeland Security			
<i>Direct Programs:</i>			
Emergency Food and Shelter Program Cluster: Emergency Food and Shelter National Board Program	97.024		\$ 2,154
<i>Passed Through the State of Connecticut Department of Emergency Management and Homeland Security:</i>			
Emergency Management Performance Grants	97.042	12060-EHS99620-21881	2,895
Nuclear Safety Fund CT Yankee	97.041	12060-EHS99670-30464	533
Nuclear Safety Fund Dominion	97.041	12060-EHS99670-30465	<u>5,216</u>
Total United States Department of Homeland Security			<u>10,798</u>
United States Department of Housing and Urban Development			
<i>Direct Programs:</i>			
CDBG-Entitlement Grants Cluster: Community Development Block Grant/Entitlement	14.218		\$ 388,537
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) - (Recovery Act Funded)	14.253		<u>9,608</u>
Total United States Department of Housing and Urban Development			<u>398,145</u>
United States Department of Justice			
<i>Direct Programs:</i>			
Edward Byrne Memorial Formula Grant Program	16.579		13,683
Edward Byrne Memorial Justice Assistance Grant Program	16.738		2,664
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		35,050
Justice Assistance Grant-ARRA	16.803		103,154

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**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number/ Project Number	Expenditures
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Justice Assistance Grant-ARRA	16.803	12060-OPM20350-29002	\$ <u>33,981</u>
Total United States Department of Justice			<u>188,532</u>
United States Department of Transportation			
<i>Direct Program:</i>			
Highway Safety Cluster:			
Alcohol Traffic Safety and Drunk Driving	20.601		12,732
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	12062-DOT57191-22108	\$ 37,619
		12062-DOT57931-22108	<u>18,580</u>
			56,199
Safety Belt Performance Grants	20.609	12062-DOT57343-22093	<u>8,999</u>
Total United States Department of Transportation			<u>77,930</u>
Total Federal Awards Expended			\$ <u><u>22,165,199</u></u>

**TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Various agencies of the Federal Government have made financial assistance available to the Town of East Hartford, Connecticut. These grants fund several programs including housing, education, human services, transportation and general government activities.

NOTE 1 - 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 government entities. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting - The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of East Hartford, Connecticut, and is presented on the modified 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*.

NOTE 2 - NONCASH AWARDS

Donated commodities in the amount of \$120,619 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. The amount represents the market value of commodities received.

NOTE 3 - WIC - NONCASH BENEFITS

The Town of East Hartford, Connecticut, also reports noncash awards under the Special Supplemental Nutrition Program for Women, Infants and Children. Noncash benefit payments in the amount of \$3,049,019 were made directly to suppliers by the State of Connecticut and are included in the schedule of federal awards, as reported by the State Department of Public Health, for eligible participants of the program.



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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 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, 2010, which collectively comprise the Town of East Hartford, Connecticut's basic financial statements, and have issued our report thereon dated November 27, 2010. 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 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, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Blum, Shapiro & Company, P.C.

November 27, 2010

**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

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

Federal Awards

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 510(a) of Circular A-133?

_____ yes X no

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
10.553/10.555/10.556	Child Nutrition Cluster
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/84.392	Special Education Cluster
84.394/84.397	State Fiscal Stabilization Fund Cluster
93.600/93.708	Head Start Cluster
14.218/14.253	CDBG-Entitlement Grants Cluster
16.803	Justice Assistance Grant-ARRA

Dollar threshold used to distinguish between type A and type B programs: \$664,956

Auditee qualified as low-risk auditee? X yes _____ no

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.