

TOWN OF EAST HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT

JUNE 30, 2009

TOWN OF EAST HARTFORD, CONNECTICUT

STATE SINGLE AUDIT REPORT

JUNE 30, 2009

TABLE OF CONTENTS

Independent Auditors' 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	1-2
Schedule of Expenditures of State Financial Assistance	3-7
Note to Schedule	8
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9-10
Schedule of Findings and Questioned Costs	11-12



Accounting | Tax | Business Consulting

**Independent Auditors' 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 East Hartford, Connecticut

Compliance

We have audited the compliance of the Town of East Hartford, 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, 2009. The 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 on 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 requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2009.

Internal Control over Compliance

The management of the Town of East Hartford, 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

Blum, Shapiro & Company, P.C.

WEST HARTFORD • SHELTON
Westport • Waterbury • New York

An Independent Member of Baker Tilly International

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 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 East Hartford, 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 entity'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 entity's internal control.

A material weakness is a significant deficiency, or 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 entity's internal control.

Our consideration of 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 the Town's 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 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, 2009 and have issued our report thereon dated December 9, 2009. 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 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 for the information and use of management, the Town Council, the Board of Education, the Office of Policy and Management 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 9, 2009

TOWN OF EAST HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Board of Education and Services for the Blind		
Education Aid Blind/Visually Impaired Children	11000-ESB65020-12060	\$ <u>11,886</u>
State Comptroller		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	901,090
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OSC15910-17006	10,694
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	475,343
Boat Grant	12027-OSC15910-40211	<u>18,631</u>
Total State Comptroller		<u>1,405,758</u>
Department of Economic and Community Development		
Payment In Lieu of Taxes (PILOT)	11000-ECD46400-17012	<u>57,408</u>
Department of Education		
Primary Mental Health	11000-SDE64000-12198	23,543
School Readiness and Child Care in Priority School Districts	11000-SDE64000-17043	2,161,562
Healthy Food Certification	11000-SDE64000-16072	95,213
Child Nutrition Program - (School Lunch State Match)	11000-SDE64000-16072	43,133
Family Resource Centers	11000-SDE64000-16110	194,285
Adult Education	11000-SDE64000-17030	149,597
Health Services	11000-SDE64000-17034	46,164
Bilingual Education	11000-SDE64000-17042	30,438

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Priority School Districts	11000-SDE64000-17043	\$ 1,210,091
Extended School Hours Program Grant	11000-SDE64000-17043	146,325
Summer School Accountability Grant	11000-SDE64000-17043	166,780
Young Parents Program	11000-SDE64000-17044	16,381
School Breakfast	11000-SDE64000-17046	56,838
Youth Services Bureau	11000-SDE64000-17052	46,586
Magnet Schools	11000-SDE64000-17057	1,066,073
School Readiness Quality Enhancement	12060-SDE64000-90242	35,741
Youth Services Bureau Enhancement	11000-SDE64370-16201	7,550
<i>Passed Through the Community Renewal Team of Greater Hartford Inc.:</i>		
Head Start Services Grant Program	11000-SDE64000-16101	144,282
Head Start Enhancement Grant Program	11000-SDE64000-16106	164,078
Headstart Link	11000-SDE64000-16202	<u>30,485</u>
Total Department of Education		<u>5,835,145</u>
Department of Environmental Protection		
Recreation Areas Initiative Grant	13019-DEP44420-41239	180,373
Levee Reconstruction Project	17071-DEP43740-43345	<u>3,273,435</u>
Total Department of Environmental Protection		<u>3,453,808</u>

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Connecticut State Library		
Grants to Public Libraries	11000-CSL66051-17003	\$ 3,206
ConnectiCard Payments	11000-CSL66051-17010	2,050
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>12,000</u>
Total Connecticut State Library		<u>17,256</u>
Department of Developmental Services		
Birth to Three - Early Intervention	11000-DMR51538-12192	<u>409,071</u>
Office of Policy and Management		
Justice Assistance State Match Program	11000-OPM20350-12251	10,000
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	8,583
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	2,058
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	381,091
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	5,785
Property Tax Relief for Veterans	11000-OPM20600-17024	38,723
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	3,551,862
Local Capital Improvement Program	12050-OPM20600-40254	553,389
Computer Assisted Mass Appraisal System	12052-OPM20600-42915	262

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Heating Assistance	11000-OPM20600-17096	\$ 89,081
Municipal Video Competition	12060-OPM20600-35362	<u>117</u>
Total Office of Policy and Management		<u>4,640,951</u>
Department of Public Health		
Local and District Departments of Health	11000-DPH48500-17009	55,526
Immunization Grant	11000-DPH48500-10020	21,152
Immunization Grant	11000-DPH48558-10020	<u>2,742</u>
Total Department of Public Health		<u>79,420</u>
Department of Public Safety		
Telecommunications Fund	12060-DPS32740-35190	76,434
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	10,936
Local Officer Incentive Program	11000-DPS32523-17089	7,807
Local Officer Incentive Program	12060-DPS32523-21589	<u>12,000</u>
Total Department of Public Safety		<u>107,177</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	344,850
Elderly Services	11000-DSS60782-16123	<u>7,871</u>
Total Department of Social Services		<u>352,721</u>

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Transportation		
Town Aid Roads Grants Transportation Fund	12001-DOT57000-17036	\$ 288,556
Municipal Grant Program - TSB Projects	12062-DOT57931-35304	<u>43,889</u>
Total Department of Transportation		<u>332,445</u>
Department of Emergency Management and Homeland Security		
School Security Competitive Grant	12060-EHS99530-90516	<u>30,352</u>
Total State Financial Assistance Before Exempt Programs		<u>16,733,398</u>
Exempt Programs		
Department of Education		
Public School Transportation	11000-SDE64000-17027	841,892
Educational Cost Sharing	11000-SDE64000-17041	41,289,821
Excess Costs Student Based and Equity	11000-SDE64000-17047	2,306,438
Nonpublic School Transportation	11000-SDE64000-17049	64,488
School Construction Grants	13009-SDE64000-40896	462
School Construction Grants	13010-SDE64000-40901	<u>420,926</u>
Total Exempt Programs		<u>44,924,027</u>
Total State Financial Assistance		<u>\$ 61,657,425</u>

TOWN OF EAST HARTFORD, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2009

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of East Hartford, 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, economic and community development, environmental protection, library, health, public safety, social services, developmental services, emergency management and homeland security and transportation.

Note - **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 financial statements contained in the Town of East Hartford, Connecticut's annual audit report are prepared on the modified accrual basis of accounting. The following is a summary of such basis:

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, if measurable.

The schedule of expenditures of state financial assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Sections 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.



Accounting | Tax | Business Consulting

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance 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, 2009, which collectively comprise the Town of East Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 9, 2009. 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 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 or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant 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 entity's internal control.

Blum, Shapiro & Company, P.C.

WEST HARTFORD • SHELTON
Westport • Waterbury • New York

An Independent Member of Baker Tilly International

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 Town's internal control that might be 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*.

We noted certain matters that we reported to management of the Town of East Hartford, Connecticut, in a separate letter dated December 9, 2009.

This report is intended for the information and use of management, the Town Council, the Office of Policy and Management 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 9, 2009

TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

I. Summary of Auditors' Results

Financial Statements

Type of auditors' 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 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 ☒ 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>
Office of the State Comptroller:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	\$ 901,090
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	475,343
Department of Education:		
School Readiness and Child Care in Priority School Districts	11000-SDE64000-17043	2,161,562
Family Resource Centers	11000-SDE64370-16110	194,285
Priority School Districts	11000-SDE64000-17043	1,210,091
Magnet Schools	11000-SDE64370-17057	1,066,073
Department of Environmental Protection:		
Recreation Areas Initiative Grant	13019-DEP44420-41239	180,373
Levee Reconstruction Project	17071-DEP43740-43345	3,273,435

Department of Developmental Services:		
Birth to Three - Early Intervention	11000-DMR51538-12192	409,071
Office of Policy and Management:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	381,091
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	3,551,862
Local Capital Improvement Program	12050-OPM20600-40254	553,389
Department of Social Services:		
Medicaid	11000-DSS60000-16020	344,850
Department of Transportation:		
Town Aid Roads Grants Transportation Fund	12001-DOT57131-17036	288,556

II. Financial Statement Findings

1. We issued reports, dated December 9, 2009, on internal control over financial reporting and on compliance based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
2. Our report on compliance indicated no reportable instances of noncompliance.
3. Our report on internal control over financial reporting indicated no significant deficiencies.

III. State Financial Assistance Findings and Questioned Costs

No findings or questioned costs are reported relating to state financial assistance programs.