

TOWN OF TOLLAND, CONNECTICUT

STATE SINGLE AUDIT REPORT

JUNE 30, 2009

TOWN OF TOLLAND, CONNECTICUT

STATE SINGLE AUDIT REPORT

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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 Tolland, Connecticut

Compliance

We have audited the compliance of the Town of Tolland, 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 Tolland, Connecticut's management. Our responsibility is to express an opinion on the Town of Tolland, 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 Tolland, 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 Tolland, Connecticut's compliance with those requirements.

In our opinion, the Town of Tolland, 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 Tolland, 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

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considered the Town of Tolland, 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 Tolland, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tolland, Connecticut, as of and for the year ended June 30, 2009 and have issued our report thereon dated November 25, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tolland, 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 solely 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.

November 25, 2009

TOWN OF TOLLAND, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
State Comptroller		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	\$ 65,563
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	84,054
Boat Grant	12027-OSC15910-40211	<u>13,052</u>
Total State Comptroller		<u>162,669</u>
Department of Economic and Community Development		
Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411-149	<u>22,972</u>
Department of Education		
Primary Mental Health	11000-SDE64000-12198	21,647
Healthy Food Certification	11000-SDE64000-16072-82010	24,780
Child Nutrition Program - (School Lunch State Match)	11000-SDE64000-16072-82051	11,226
Family Resource Centers	11000-SDE64000-16110	97,200
Adult Education	11000-SDE64000-17030	28,810
Youth Services Bureau	11000-SDE64000-16201	26,101
Magnet Schools	11000-SDE64000-17057	<u>7,800</u>
Total Department of Education		<u>217,564</u>
Department of Environmental Protection		
Protected Open Space Watershed Land Acquisition Grant Program	12052-DEP43153-43016	1,178,000
Non-Budgeted Operating Approp	21014-DEP43720-40001	<u>67,968</u>
Total Department of Environmental Protection		<u>1,245,968</u>

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TOWN OF TOLLAND, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Connecticut State Library		
Grants to Public Libraries	11000-CSL66051-17003	\$ 1,798
ConnectiCard Payments	11000-CSL66051-17010	1,504
Historic Documents Preservation Grants	12060-CSL66094-35150	7,000
Library Srvcs & Technology Act	12060-CSL66055-21031	<u>1,500</u>
Total Connecticut State Library		<u>11,802</u>
Office of Policy and Management		
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	1,712
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	61,946
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Veterans	11000-OPM20600-17024	7,318
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	110,132
Heating Assist. Schools PA08-1	11000-OPM20600-17096	<u>37,369</u>
Total Office of Policy and Management		<u>220,477</u>
Department of Social Services		
Services To The Elderly	11000-DSS60782-16123	<u>8,450</u>

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TOWN OF TOLLAND, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Town Aid Roads Grants Transportation Fund	12001-DOT57000-17036	\$ 150,000
Highway Planning & Construction	12062-DOT57124-22108	37
Federal Highway Safety Grants	12062-DOT57343-20559	3,554
Federal Highway Safety Grants	12062-DOT57513-20559	3,510
TSB Projects Account	12062-DOT57911-35304	<u>26,471</u>
Total Department of Transportation		<u>183,572</u>
Department of Veterans' Affairs		
Veterans Assistance	12010-DVA21134-16049	<u>400</u>
Department of Emergency Management and Homeland Security		
School Security Competitive Program	12060-EHS99530-90516	<u>46,326</u>
Total State Financial Assistance Before Exempt Programs		<u>2,120,200</u>
Exempt Programs		
Department of Education		
Public School Transportation	11000-SDE64000-17027	334,914
Educational Cost Sharing	11000-SDE64000-17041	10,740,557
Excess Costs Student Based and Equity	11000-SDE64000-17047	1,202,314
School Construction Grants	13009-SDE64000-40896	102,793
School Construction Grants	13010-SDE64000-40901	<u>398,537</u>
Total Exempt Programs		<u>12,779,115</u>
Total State Financial Assistance		<u>\$ 14,899,315</u>

TOWN OF TOLLAND, 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 Tolland, 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 programs, environmental programs, tax relief programs, health programs, public safety programs and transportation programs.

Note - **Summary of Significant Accounting Policies:**

The accounting policies of the Town of Tolland, 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 Tolland, 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.

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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 Tolland, 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 Tolland, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town of Tolland, Connecticut's basic financial statements, and have issued our report thereon dated November 25, 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 Tolland, 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 Tolland, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Tolland, 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.

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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 Tolland, 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, 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.

November 25, 2009

TOWN OF TOLLAND, 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 X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ 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 that are not considered to be material weaknesses? _____ 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 Environmental Protection: Protected Open Space Watershed Land Acquisition Grant Program	12052-DEP43153-43016	\$ 1,178,000
Office of Policy and Management: Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	110,132
Department of Transportation: Town Aid Roads Grants Transportation Fund	12001-DOT57000-17036	150,000

II. Financial Statement Findings

1. We issued reports, dated November 25, 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.