

## **TOWN OF WETHERSFIELD, CONNECTICUT**

### **FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2015**

**TOWN OF WETHERSFIELD, CONNECTICUT  
FEDERAL SINGLE AUDIT REPORT  
JUNE 30, 2015  
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**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by OMB Circular A-133**

To the Members of the Town Council  
Town of Wethersfield, Connecticut

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Wethersfield, 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 Wethersfield, Connecticut's major federal programs for the year ended June 30, 2015. The Town of Wethersfield, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Wethersfield, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Non-Profit 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 Wethersfield, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Wethersfield, Connecticut's compliance.

### ***Basis for Qualified Opinion on the Special Education Cluster***

As described in the accompanying schedule of findings and questioned costs, the Town of Wethersfield, Connecticut, did not comply with requirements regarding CFDA #84.027/84.173 Special Education Cluster as described in finding 2015-001 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the Town of Wethersfield, Connecticut, to comply with the requirements applicable to that program.

### ***Qualified Opinion on the Special Education Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Wethersfield, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster for the year ended June 30, 2015.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the Town of Wethersfield, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

The Town of Wethersfield, Connecticut's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Wethersfield, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the Town of Wethersfield, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Wethersfield, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Wethersfield, 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a significant deficiency.

The Town of Wethersfield, Connecticut's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Wethersfield, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wethersfield, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Wethersfield, Connecticut's basic financial statements. We issued our report thereon dated December 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

West Hartford, Connecticut  
December 16, 2015

**TOWN OF WETHERSFIELD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

<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>
<b>United States Department of Agriculture</b>			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 47,918
National School Lunch Program	10.555	12060-SDE64370-20560	<u>427,737</u>
			\$ <u>475,655</u>
<b>United States Department of Education</b>			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Education:</i>			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2014	13,599
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2015	<u>272,210</u>
			285,809
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977-2014	115,076
Special Education - Grants to States	84.027	12060-SDE64370-20977-2015	536,803
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2015	<u>9,190</u>
			661,069
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2015	23,320
English Language Acquisition Grants	84.365	12060-SDE64370-20868-2015	31,665
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2014	<u>33,347</u>
Total United States Department of Education			<u>1,035,210</u>
<b>Environmental Protection Agency</b>			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Energy and Environmental Protection:</i>			
State Clean Diesel Grant Program	66.040	12060-DEP43520-22319	<u>27,246</u>
<b>United States Department of Health and Human Services</b>			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Social Services:</i>			
Social Services Block Grant	93.667	12060-DSS60783-20701	<u>7,783</u>

(Continued on next page)

**TOWN OF WETHERSFIELD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number/ Project Number</b>	<b>Expenditures</b>
<b>United States Department of Homeland Security</b>			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32990-22520	\$ 9,471
Hazard Mitigation Grant (HMGP)	97.039	12060-DPS32983-22278	320,630
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	<u>10,607</u>
Total United States Department of Homeland Security			<u>340,708</u>
<b>United States Department of Justice</b>			
<i>Direct:</i>			
Equitable Sharing Program	16.922		370,845
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	12060-OPM20350-21676	12,246
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	<u>11,000</u>
Total United States Department of Justice			<u>394,091</u>
<b>United States Department of Transportation</b>			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction	20.205	12062-DOT57124-22108	101
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	15,499
National Priority Safety Program	20.616	12062-DOT57513-22600	<u>14,946</u>
Total United States Department of Transportation			<u>30,546</u>
<b>Total Federal Awards Expended</b>			<b>\$ <u><u>2,311,239</u></u></b>

The accompanying notes are an integral part of this schedule

**TOWN OF WETHERSFIELD, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Wethersfield, Connecticut, under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Because the Schedule presents only a selected portion of the operations of the Town of Wethersfield, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of Wethersfield, Connecticut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. NONCASH AWARDS**

Donated commodities in the amount of \$80,568 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. The amount represents the market value of commodities received.



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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 Wethersfield, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wethersfield, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Wethersfield, Connecticut's basic financial statements, and have issued our report thereon dated December 16, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Wethersfield, Connecticut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Wethersfield, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wethersfield, Connecticut's internal control.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Wethersfield, Connecticut's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Wethersfield, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wethersfield, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

West Hartford, Connecticut  
December 16, 2015

**TOWN OF WETHERSFIELD, CONNECTICUT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

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**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

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?   X   yes \_\_\_\_\_ none reported

Type of auditors' report issued on compliance for major programs: Qualified for cash management on CFDA #84.027/84.173 Special Education Cluster.  
Unmodified for other requirements and programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   X   yes \_\_\_\_\_ no

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster
97.039	Hazard Mitigation Grant
16.922	Equitable Sharing Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes   X   no

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>2015-001</b>	Cash Management
<b>Program</b>	Grantor: Department of Education CFDA Number: 84.027/84.173 Program Name: Special Education Cluster
<b>Pass-Through Agency</b>	State of Connecticut Department of Education
<b>Criteria</b>	Cash Management
<b>Condition</b>	The Board of Education overdrew grant funds based on expenditures that were submitted to the state.
<b>Questioned Costs</b>	None noted.
<b>Context</b>	The overdrawn funds totaled \$147,209 and 14.4% of the total drawdowns for the grant.
<b>Effect</b>	The Board of Education had excess cash for this grant at June 30, 2015.
<b>Cause</b>	Journal entries were not being properly reviewed. Previous administration had inadvertently recorded additional expenditures in the grant fund ledger and believed the grant was fully expended, thus warranting the request for drawdown.
<b>Recommendation</b>	We recommend all journal entries be reviewed by appropriate personnel to ensure they are being coded to the correct grant and appear appropriate. We also recommend that ED111's be reviewed against expenditures prior to drawdown requests to ensure the drawdowns do not exceed expenditures.
<b>Management Response and Planned Corrective Action</b>	Current administration has implemented internal controls related to the filing of form ED111. Each month, the Business Manager analyzes the grant fund ledger and projects salary expenditures through the applicable month. The request is then entered by another member of the Business Office to segregate duties before final approval and submission by the Superintendent of Schools. Wethersfield Public Schools is confident a process is in place to prevent any future errors related to cash management.

### IV. STATUS OF PRIOR YEAR FINDINGS

#### Prior Audit Findings Resolved:

Finding Number	Description
2014-001	Grant Accounting