TOWN OF AVON, CONNECTICUT

STATE SINGLE AUDIT REPORT

JUNE 30, 2010

TOWN OF AVON, CONNECTICUT

STATE SINGLE AUDIT REPORT

JUNE 30, 2010

TABLE OF CONTENTS

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	1-2
Schedule of Expenditures of State Financial Assistance	3-5
Note to Schedule of Expenditures of State Financial Assistance	6
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*	7-8
Schedule of Findings and Questioned Costs	9-11

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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 Board of Finance
Town of Avon, Connecticut

Compliance

We have audited the Town of Avon, 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 Avon, Connecticut's major state programs for the year ended June 30, 2010. The Town of Avon, 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 Avon, Connecticut's management. Our responsibility is to express an opinion on the Town of Avon, 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 Avon, 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 Avon, Connecticut's compliance with those requirements.

As described in item 2010-1 in the accompanying schedule of findings and questioned costs, the Town of Avon, Connecticut, did not comply with requirements regarding reporting that are applicable to its Small Town Economic Assistance Program. Compliance with such requirements is necessary, in our opinion, for the Town of Avon, Connecticut, to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Town of Avon, 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, 2010.

An Independent Member of Baker Tilly International

Internal Control over Compliance

Management of the Town of Avon, 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 Avon, 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 Avon, 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 Avon, Connecticut, as of and for the year ended June 30, 2010 and have issued our report thereon dated December 21, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, 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.

The Town of Avon, Connecticut's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Avon, Connecticut's response, and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Finance, 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 21, 2010

TOWN OF AVON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
State Comptroller		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	$ 63,803
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OSC15910-17006	9,202
Total State Comptroller		73,005
Department of Economic and Community Development		
Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411-149	302,000
Department of Education		
Sheff Settlement	11000-SDE84000-12457	44,559
Child Nutrition Program - (School Lunch State Match)	11000-SDE64000-16072-82051	10,366
Youth Services Bureau - Enhancement	11000-SDE84000-16201	6,250
Adult Education	11000-SDE64000-17030	1,505
Youth Services Bureau	11000-SDE64000-17052	14,000
Open Choice	11000-SDE64000-17053	167,771
Magnet Schools	11000-SDE64000-17057	28,000
Total Department of Education		272,451
Department of Environmental Protection		
Clean Water Fund	21014-DEP43720-40001	165,221
In Lieu of Taxes on Vessels	12060-DEP44434-35403	1,596

(Continued on next page)

TOWN OF AVON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Environmental Settlements	12060-DEP43760-35169	$ 25,000
Total Department of Environmental Protection		191,817
Connecticut State Library		
Grants to Public Libraries	11000-CSL66051-17003	1,820
ConnectiCard Payments	11000-CSL66051-17010	6,474
Historic Documents Preservation Grants	12060-CSL66094-35150	5,000
Total Connecticut State Library		13,294
Office of Policy and Management		
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	890
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	61,424
Property Tax Relief for Veterans	11000-OPM20600-17024	3,180
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	255,797
Local Capital Improvement Program	12050-OPM20600-40254	105,218
Municipal Video Competition	12060-OPM20600-35362	30,974
Total Office of Policy and Management		457,483
Department of Public Safety		
Telecommunications Fund	12060-DPS32740-35190	2,218

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TOWN OF AVON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Transportation		
Town Aid Roads Grants Transportation Fund	12052-DOT57131-43455	$ 41,023
Urban Action Grants/Municipal Grant Agreements Transportation Fund	13033-DOT57131-43459	112,814
Total Department of Transportation		153,837
Total State Financial Assistance Before Exempt Programs		1,466,105
	Exempt Programs	
Office of the State Comptroller		
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	15,581
Department of Education		
Public School Transportation	11000-SDE64000-17027	12,130
Educational Cost Sharing	11000-SDE64000-17041	932,050
Excess Costs Student Based and Equity	11000-SDE64000-17047	773,598
School Construction Grants	13009-SDE64000-40896	17,334
School Construction Grants	13010-SDE64000-40901	893,727
Total Department of Education		2,628,839
Total Exempt Programs		2,644,420
Total State Financial Assistance		$ 4,110,525

TOWN OF AVON, CONNECTICUT
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Avon, 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, public health programs, tax relief programs, transportation programs and environmental programs.

NOTE - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Avon, 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 Avon, 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 (Section 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 and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Board of Finance
Town of Avon, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Avon, Connecticut's basic financial statements, and have issued our report thereon dated December 21, 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 Avon, 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 Avon, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Avon, 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Avon, 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 Avon, Connecticut, in a separate letter dated December 21, 2010.

This report is intended solely for the information and use of management, the Board of Finance, 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 21, 2010

TOWN OF AVON, 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

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:		Qualified for Reporting
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?	X yes	____ no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Economic and Community Development:		
Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411-149	$ 302,000
Office of Policy and Management:		
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	255,797
Local Capital Improvement Program	12050-OPM20600-40254	105,218
Department of Transportation: Town Aid Road	12052-DOT57131-43455/13033-DOT57131-43459	153,837

- 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

2010-1	Program Reporting
Grantor	Department of Economic and Community Development
Program	Small Town Economic Assistance Program (STEAP)
Core-CT Number	12052-ECD46000-42411-149
Criteria	DECD requires a semi-annual Balance Sheet and Statement of Program Costs from grantees 30 days after June 30th and December 31st until the expiration of the Finance Plan and Budget.
Condition	Of the one semi-annual report selected for testing, that report (for the period ended June 30, 2010) was not filed within 30 days of period end.
Questioned Costs	None.
Context	There are two semi-annual reports filed each year for each project in process under the grant (currently one - Phase I), until the completion of the project.
Effect	The Town did not report on the semi-annual period ended June 30, 2010.
Cause	Administrative turnover affecting the program caused the missed reporting period. The Assistant Town Manager began in June 2010 and took over the administration of the program, but was not aware of the semi-annual reporting requirement.
Recommendation	We recommend that the Town of Avon institute a reporting review process for this program, so that there are two sets of people involved, preparers and reviewers, and it is less likely that a reporting will be entirely missed, even if there is turnover in one of the groups.

Management Response and Planned Corrective Action

Prior statements under STEAP were prepared by the Assistant Town Manager and countersigned by the Town Manager, which is in essence what the auditor is suggesting when they recommend separate preparers and reviewers. The June 30, 2010 filing date was unique in that the Town Manager of 30+ years had retired effective January 4, 2010, and his assistant took a new job several months later. As such, neither the current Town Manager nor the current Assistant to the Town Manager was involved with the process when the December 31, 2009 filing was submitted. The system in place under the prior Town Manager, which involved preparation of the statements by the Assistant and review/approval by the Town Manager, had been successful for 30+ years, and it is the Town's intention to continue this practice, as recommended by the auditors.

TOWN OF AVON, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2010

TOWN OF AVON, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2010

TABLE OF CONTENTS

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	1-2
Schedule of Expenditures of Federal Awards	3-4
Notes to Schedule of Expenditures of Federal Awards	5
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*	6-7
Schedule of Findings and Questioned Costs	8

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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 Board of Finance
Town of Avon, Connecticut

Compliance

We have audited the Town of Avon, 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 Avon, Connecticut's major federal programs for the year ended June 30, 2010. The Town of Avon, 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 Avon, Connecticut's management. Our responsibility is to express an opinion on the Town of Avon, 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 Avon, 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 Avon, Connecticut's compliance with those requirements.

In our opinion, the Town of Avon, 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.

An Independent Member of Baker Tilly International

Internal Control over Compliance

Management of the Town of Avon, 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 Avon, 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 Avon, 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 Avon, Connecticut, as of and for the year ended June 30, 2010 and have issued our report thereon dated December 21, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, 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. 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 Board of Finance, the Town Council, others within the Town, 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.

December 21, 2010

TOWN OF AVON, 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 *Passed Through the State of Connecticut Department of Education:*				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560		$ 122,687
United States Department of Education *Passed Through the State of Connecticut Department of Education:*				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679		48,576
Special Education Cluster:				
Special Education - Grants to States	84.027	12060-SDE64370-20977	664,686	
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	19,116	
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	12060-SDE64370-29011	512,647	
Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	12060-SDE64370-29012	5,274	
				1,201,723
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742		19,008
Safe and Drug-Free Schools and Communities - National Programs	84.184	12060-SDE64370-20873		5,225
English Language Acquisition Grants	84.365	12060-SDE64370-20868		3,573
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858		41,476
State Fiscal Stabilization Fund Cluster:				
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	12060-SDE64370-29054	113,360	
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	12060-SDE64370-29053	62,501	
				175,861
Total United States Department of Education				1,495,442

(Continued on next page)

TOWN OF AVON, 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			
Passed Through the State of Connecticut Department of Emergency Management and Homeland Security:			
Emergency Management Performance Grants	97.042	12060-EHS99620-21881	$ 4,685
United States Department of Justice			
Passed Through the State of Connecticut Office of Policy and Management:			
ARRA Edward Byrne Memorial Justice Grant Program	16.803	12060-OPM20350-29002	30,000
Department of Energy			
Passed Through the State of Connecticut Office of Policy and Management			
ARRA Energy Efficiency & Conservation Block Grant	81.128	12060-OPM20810-29009	50,939
Total Federal Awards Expended			$ 1,703,753

TOWN OF AVON, 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 Avon, 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 Avon, 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 Avon, 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 $21,207 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 Board of Finance
Town of Avon, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Avon, Connecticut's basic financial statements, and have issued our report thereon dated December 21, 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 Avon, 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 Avon, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Avon, 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.

An Independent Member of Baker Tilly International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Avon, 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 Avon, Connecticut, in a separate letter dated December 21, 2010.

This report is intended solely for the information and use of management, the Board of Finance, the Town Council, others within the Town, 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.

December 21, 2010

TOWN OF AVON, 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
84.027/84.173/84.391/84.392	Special Education Cluster

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

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.