

**TOWN OF AVON, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2011**

**TOWN OF AVON, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2011**

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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, 2011. 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.

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 state programs for the year ended June 30, 2011.

## **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, 2011 and have issued our report thereon dated December 14, 2011. 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.

This report is intended solely for the information and use of management, the Board of Finance, the Town Council, others within the Town 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 14, 2011

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Office of the State Comptroller</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	\$ 92,641
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OSC15910-17006	<u>7,284</u>
Total Office of the State Comptroller		<u>99,925</u>
<b>Department of Economic and Community Development</b>		
Small Town Economic Assistance Program (STEAP)	12052-ECD46350-42411	<u>163,826</u>
<b>Department of Education</b>		
Sheff Settlement	11000-SDE84000-12457	45,932
Youth Services Bureau - Enhancement	11000-SDE84000-16201	6,250
Adult Education	11000-SDE64000-17030	1,552
Youth Services Bureau	11000-SDE64000-17052	14,000
Open Choice	11000-SDE64000-17053	210,812
Child Nutrition Program - (State Match)	11000-SDE64000-16211	<u>10,624</u>
Total Department of Education		<u>289,170</u>
<b>Department of Environmental Protection</b>		
Nonpoint Source Implementation Grants	12060-DEP43720-20871	3,000
Environmental Settlements	12060-DEP43760-35169	25,000
Boating Temp Receivable	12060-DEP44434-34907	<u>2,521</u>
Total Department of Environmental Protection		<u>30,521</u>

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**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE  
FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Connecticut State Library</b>		
Grants to Public Libraries	11000-CSL66051-17003	\$ 1,851
ConnectiCard Payments	11000-CSL66051-17010	5,352
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>3,000</u>
Total Connecticut State Library		<u>10,203</u>
<b>Office of Policy and Management</b>		
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	1,002
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	79,725
Property Tax Relief for Veterans	11000-OPM20600-17024	4,266
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	213,211
Local Capital Improvement Program	12050-OPM20600-40254	105,627
Municipal Video Competition	12060-OPM20600-35362	<u>10,649</u>
Total Office of Policy and Management		<u>414,480</u>
<b>Department of Transportation</b>		
Town Aid Road Grants - Municipal	12052-DOT57000-43455	41,024
Town Aid Road - STO	13033-DOT57000-43459	112,815
Transit District Grants and Loan Transportation Fund	13033-DOT57191-41402	<u>36,865</u>
Total Department of Transportation		<u>190,704</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>1,198,829</u>

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**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE  
FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Exempt Programs</b>		
<b>Office of the State Comptroller</b>		
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	\$ <u>14,968</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64000-17027	12,019
Educational Cost Sharing	11000-SDE64000-17041	1,051,601
Excess Costs Student Based and Equity	11000-SDE64000-17047	830,101
School Construction Grants	13009-SDE64000-40896	11,344
School Construction Grants	13010-SDE64000-40901	<u>199,835</u>
Total Department of Education		<u>2,104,900</u>
Total Exempt Programs		<u>2,119,868</u>
<b>Total State Financial Assistance</b>		<b>\$ <u><u>3,318,697</u></u></b>

**TOWN OF AVON, CONNECTICUT  
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011, which collectively comprise the Town of Avon, Connecticut's basic financial statements, and have issued our report thereon dated December 14, 2011. 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.

## 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 14, 2011.

This report is intended solely for the information and use of management, the Board of Finance, the Town Council, others within the Town 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 14, 2011

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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: 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 Economic and Community Development:		
Small Town Economic Assistance Program (STEAP)	12052-ECD46350-42411	\$ 163,826
Department of Education:		
Open Choice	11000-SDE64000-17053	210,812
Office of Policy and Management:		
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	213,211
Department of Transportation:		
Town Aid Road - STO	13033-DOT57000-43459	112,815
Town Aid Road Grants - Municipal	12052-DOT57000-43455	41,024

- 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**

No matters were reported.

## **IV. STATUS OF PRIOR YEAR FINDINGS**

Finding 2010-1 was resolved.

**TOWN OF AVON, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2011**

**TOWN OF AVON, CONNECTICUT  
FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2011**

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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, 2011. 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, 2011.

## **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, 2011 and have issued our report thereon dated December 14, 2011. 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 14, 2011

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<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:			
National School Lunch Program	10.555	12060-SDE64370-20560	\$ <u>155,772</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	26,913
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977	\$ 606,687
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	19,617
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	12060-SDE64370-29011	193,195
Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	12060-SDE64370-29012	<u>23,947</u>
			843,446
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742	16,425
Safe and Drug-Free Schools and Communities - National Programs	84.184	12060-SDE64370-20873	3,376
English Language Acquisition Grants	84.365	12060-SDE64370-20868	16,922
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858	38,985
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	12060-SDE64370-29054	<u>175,861</u>
Total United States Department of Education			<u>1,121,928</u>

(Continued on next page)

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

<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 Homeland Security</b>			
<i>Passed Through the State of Connecticut Department of Emergency Management and Homeland Security:</i>			
Public Assistance Grants	97.036	12060-EHS99690-21891	\$ 45,515
Emergency Management Performance Grants	97.042	12060-EHS99660-21881	<u>8,664</u>
Total United States Department of Homeland Security			<u>54,179</u>
<b>United States Department of Transportation</b>			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Recreational Trails Program	20.219	12062-DOT57000-20296	<u>10,959</u>
<b>Department of Energy</b>			
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
ARRA Energy Efficiency & Conservation Block Grant	81.128	12060-OPM20810-29009	<u>19,893</u>
<b>Total Federal Awards Expended</b>			<b>\$ <u><u>1,362,731</u></u></b>

**TOWN OF AVON, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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 \$47,658 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, 2011, which collectively comprise the Town of Avon, Connecticut's basic financial statements, and have issued our report thereon dated December 14, 2011. 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.

## 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 14, 2011.

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 14, 2011

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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.