

**TOWN OF NEWINGTON, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2012**

**TOWN OF NEWINGTON, CONNECTICUT**

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**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	1-3
Schedule of Expenditures of State Financial Assistance	4-6
Notes to Schedule of Expenditures of State Financial Assistance	7
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 <i>Government Auditing Standards</i>	8-9
Schedule of Findings and Questioned Costs	10-11



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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 Town Council  
Town of Newington, Connecticut

**Compliance**

We have audited the Town of Newington, 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 Newington, Connecticut's major state programs for the year ended June 30, 2012. The Town of Newington, 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 Newington, Connecticut's management. Our responsibility is to express an opinion on the Town of Newington, 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 Newington, 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 Newington, Connecticut's compliance with those requirements.

In our opinion, the Town of Newington, 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, 2012.

## **Internal Control over Compliance**

Management of the Town of Newington, 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 Newington, 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 Newington, 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 Newington, Connecticut, as of and for the year ended June 30, 2012 and have issued our report thereon dated December 7, 2012, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Newington, Connecticut's 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 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 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 financial statements or to the 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 state financial assistance is fairly stated in all material respects in relation to the financial statements 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.*

December 7, 2012

**TOWN OF NEWINGTON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Department of Economic and Community Development</b>		
Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411-149	\$ <u>506,261</u>
<b>Department of Education</b>		
Sheff Settlement	11000-SDE64370-12457	87,275
Youth Services Bureau - Enhancement	11000-SDE84000-16201	6,250
Child Nutrition State Matching Grant	11000-SDE64000-16211	19,033
Adult Education	11000-SDE64000-17030	31,960
Health Services	11000-SDE64000-17034	16,526
Youth Services Bureau	11000-SDE64000-17052	22,880
Open Choice	11000-SDE64000-17053	274,214
Magnet Schools	11000-SDE64000-17057	34,552
Investing & Personal Finance Education	12060-SDE64000-35358	25,000
Health Foods Initiative	11000-SDE64000-16212	<u>41,362</u>
Total Department of Education		<u>559,052</u>
<b>Department of Energy and Environmental Protection</b>		
Mill Pond Park Improvements- STEAP	12052-DEP43153-43020	<u>111,215</u>
<b>Connecticut State Library</b>		
Grants to Public Libraries	11000-CSL66051-17003	1,313
ConnectiCard Payments	11000-CSL66051-17010	30,006
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>6,000</u>
Total Connecticut State Library		<u>37,319</u>

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**TOWN OF NEWINGTON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	\$ 649,450
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	1,367,680
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	5,091
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	255,307
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	12,000
Property Tax Relief for Veterans	11000-OPM20600-17024	27,808
Local Capital Improvement Program	12050-OPM20600-40254	<u>201,640</u>
Total Office of Policy and Management		<u>2,518,976</u>
<b>Department of Emergency Services and Public Protection</b>		
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	<u>2,696</u>
<b>Department of Transportation</b>		
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036	<u>207,020</u>
<b>Department of Veterans' Affairs</b>		
Veterans Assistance	11000-DVA21134-16049	<u>1,800</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>3,944,339</u>

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**TOWN OF NEWINGTON, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Exempt Programs</b>		
<b>Office of Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 243,497
Municipal Revenue Sharing	12060-OPM20600-35458	538,726
Municipal Video Competition	12060-OPM20600-35362	<u>13,032</u>
Total Office of Policy and Management		<u>795,255</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64000-17027	225,327
Educational Cost Sharing	11000-SDE64000-17041	12,671,585
Excess Costs Student Based and Equity	11000-SDE64000-17047	1,074,862
Nonpublic School Transportation	11000-SDE64000-17049	7,227
School Construction Grants	13010-SDE64370-40901	<u>296,137</u>
Total Department of Education		<u>14,275,138</u>
<b>Department of Public Works</b>		
School Construction Grants	13010-DPW27610-40901	<u>1,042,269</u>
Total Exempt Programs		<u>16,112,662</u>
<b>Total State Financial Assistance</b>		<b>\$ <u><u>20,057,001</u></u></b>

The accompanying notes are an integral part of this schedule



**TOWN OF NEWINGTON, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of state financial assistance (the Schedule) includes the state grant activity of the Town of Newington, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2012. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Town of Newington, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net assets or cash flows of the Town of Newington, Connecticut.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Newington, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, 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.



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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 Newington, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Newington, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town of Newington, Connecticut's basic financial statements, and have issued our report thereon dated December 7, 2012. 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**

Management of the Town of Newington, Connecticut, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Newington, 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 Newington, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Newington, 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 Newington, 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.*

December 7, 2012

**TOWN OF NEWINGTON, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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-ECD46000-42411-149	\$ 506,261
Department of Education:		
Open Choice	11000-SDE64000-17053	274,214
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17006	1,367,680
Local Capital Improvement Program	11000-OPM20600-17018	255,307
Local Capital Improvement Program	12050-OPM20600-40254	201,640
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036	207,020

- 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.