

TOWN OF TRUMBULL, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2013

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FEDERAL SINGLE AUDIT REPORT

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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 Trumbull, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Trumbull, 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 Trumbull, Connecticut's major federal programs for the year ended June 30, 2013. The Town of Trumbull, 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 Trumbull, 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 Trumbull, 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 Trumbull, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Trumbull, 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 major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Town of Trumbull, 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 Trumbull, 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 Trumbull, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements. We issued our report thereon dated December 14, 2013, 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 14, 2013

**TOWN OF TRUMBULL, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<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>
United States Department of Agriculture			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 1,595
National School Lunch Program	10.555	12060-SDE64370-20560	<u>362,667</u>
			\$ 364,262
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	29,062
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	<u>1,363</u>
			<u>30,425</u>
Total United States Department of Agriculture			<u>394,687</u>
United States Department of Education			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Education:</i>			
Adult Education	84.002	12060-SDE64328-20208-2013	1,000
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2012	27,953
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2013	<u>148,794</u>
			176,747
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977-2012	326,688
Special Education - Grants to States	84.027	12060-SDE64370-20977-2013	992,559
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2012	19,471
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2013	<u>19,113</u>
			1,357,831
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2013	40,519
English Language Acquisition Grants	84.365	12060-SDE64370-20868-2012	14,611
English Language Acquisition Grants	84.365	12060-SDE64370-20868-2013	<u>3,138</u>
			17,749

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**TOWN OF TRUMBULL, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

<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>
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2012	\$ 38,261
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2013	<u>20,585</u>
			\$ <u>58,846</u>
Total United States Department of Education			<u>1,652,692</u>
United States Department of Health and Human Services			
<i>Passed Through the State of Connecticut Department of Mental Health and Addiction Services:</i>			
Substance Abuse and Mental Health Services	93.243	12060-MHA53282-22362	<u>75,000</u>
United States Department of Homeland Security			
<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-DPS32990-21891	1,049,765
<i>Direct Program:</i>			
FEMA - Severe Repetitive Loss Grant	97.110		<u>328,784</u>
Total United States Department of Homeland Security			<u>1,378,549</u>
United States Department of Justice			
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	32,935
<i>Direct Program:</i>			
Equitable Sharing Program	16.922		<u>2,445</u>
Total United States Department of Justice			<u>35,380</u>

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**TOWN OF TRUMBULL, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

<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>
United States Department of Energy			
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>			
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	12060-DEP44720-29072	\$ <u>1,200</u>
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	12062-DOT57124-22108	\$ 716,659
Highway Planning and Construction	20.205	12062-DOT57161-29015	<u>13,304</u>
			729,963
Alcohol Traffic Safety and Drunk Driving	20.601	12062-DOT57513-22086	49,347
Enhanced Mobility of Senior and Individuals with Disabilities	20.513	12062-DOT57931-21361	<u>40,000</u>
Total United States Department of Transportation			<u>819,310</u>
Total Federal Awards Expended			\$ <u><u>4,356,818</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF TRUMBULL, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Trumbull, Connecticut, under programs of the federal government for the year ended June 30, 2013. 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 Trumbull, 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 Trumbull, Connecticut.

NOTE 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.

NOTE 3 - NONCASH AWARDS

Donated commodities in the amount of \$56,723 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 Trumbull, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements, and have issued our report thereon dated December 14, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Trumbull, 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 Trumbull, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Trumbull, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Trumbull, 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*.

The Town of Trumbull, Connecticut's Response to Findings

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

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 Trumbull, 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 Trumbull, 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 14, 2013

**TOWN OF TRUMBULL, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

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? X yes 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: Unmodified

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
80.027/84.173	Special Education Cluster
97.110	FEMA - Severe Repetitive Loss Grant
20.205	Highway Planning and Construction 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

2013-001	Financial Reporting Requirements
Criteria	Management is responsible for establishing and maintaining internal controls to ensure the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP).
Condition	Significant audit adjustments were posted to the Town's financial statements to properly record expenditures within the proper period.
Context	The Town's General Fund, Enterprise Funds and Capital Project Funds were misstated.
Effect	Significant adjustments were posted to present the financial statements in accordance with GAAP.
Cause	Lack of internal controls and procedures in place to ensure the general ledger and financial statements were reported in conformity with GAAP.
Recommendation	We recommend that the Town continue to develop policies and procedures to establish effective internal controls to ensure financial statements are presented in accordance with GAAP.
Management Response and Planned Corrective Action	The Town's Finance Department is now fully staffed and will develop procedures to comply with generally accepted accounting principles for fiscal year ending June 30, 2014.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

IV. STATUS OF PRIOR YEAR FINDINGS

Prior Audit Findings Resolved:

<u>Finding Number</u>	<u>Description</u>
2012-02	Equipment and Real Property Management

Prior Audit Findings Unresolved:

<u>Finding Number</u>	<u>Description</u>
2012-01	Financial Reporting Requirements - Finding has been updated for the year ended June 30, 2013 and is included as finding 2013-001 above.