

**TOWN OF TRUMBULL, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2012**

**TOWN OF TRUMBULL, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2012**

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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 Honorable First Selectman and  
Members of the Finance Committee  
Town of Trumbull, Connecticut

**Compliance**

We have audited the Town of Trumbull, 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 Trumbull, Connecticut's major state programs for the year ended June 30, 2012. The Town of Trumbull, 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 Trumbull, Connecticut's management. Our responsibility is to express an opinion on the Town of Trumbull, 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 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. Our audit does not provide a legal determination of the Town of Trumbull, Connecticut's compliance with those requirements.

In our opinion, the Town of Trumbull, 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 Trumbull, 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 Trumbull, 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 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 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, 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, 2012 and have issued our report thereon dated January 10, 2013, 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 Trumbull, 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 Finance Committee, others within the entity 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.*

January 10, 2013

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

<u>State Grantor/Pass-Through 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	\$ 6,910
Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411	78,447
Urban Action Bonds	13019-ECD46000-41240	<u>28,118</u>
Total Department of Economic and Community Development		<u>113,475</u>
<b>Department of Education</b>		
Youth Services Bureau - Enhancement	11000-SDE84000-16201	7,550
Child Nutrition State Matching Grant	11000-SDE64000-16211	18,632
Vocational Agriculture	11000-SDE64000-17017	343,121
Adult Education	11000-SDE64000-17030	14,555
Health Services	11000-SDE64000-17034	73,055
Youth Services Bureau	11000-SDE64000-17052	25,435
Open Choice	11000-SDE64000-17053	174,175
Magnet Schools	11000-SDE64000-17057	<u>101,400</u>
Total Department of Education		<u>757,923</u>
<b>Department of Energy and Environmental Protection</b>		
Clean Water Fund	21014-DEP43720-40001	185,686
Public Educational and Governmental Programming	12060-DEP39170-35363	<u>39,874</u>
Total Department of Energy and Environmental Protection		<u>225,560</u>

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

<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>		
ConnectiCard Payments	11000-CSL66051-17010	\$ 13,134
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>6,000</u>
Total Connecticut State Library		<u>19,134</u>
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	87,010
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	3,050
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	263,186
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Veterans	11000-OPM20600-17024	31,649
Local Capital Improvement Program	12050-OPM20600-40254	<u>49,351</u>
Total Office of Policy and Management		<u>436,246</u>
<b>Department of Emergency Services and Public Protection</b>		
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	<u>12,907</u>
<b>Department of Transportation</b>		
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036	<u>6,380</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>1,571,625</u>

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

<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 Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 50,692
Municipal Revenue Sharing	12060-OPM20600-35458	109,301
Municipal Video Competition	12060-OPM20600-35362	<u>23,801</u>
Total Office of Policy and Management		<u>183,794</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64000-17027	75,312
Educational Cost Sharing	11000-SDE64000-17041	3,064,745
Excess Costs Student Based and Equity	11000-SDE64000-17047	955,949
Nonpublic School Transportation	11000-SDE64000-17049	<u>24,049</u>
Total Department of Education		<u>4,120,055</u>
<b>Department of Public Works</b>		
School Construction Grants	13009-DPW27610-40896	103,549
School Construction Grants	13010-DPW27610-40901	<u>2,700,716</u>
Total Department of Public Works		<u>2,804,265</u>
Total Exempt Programs		<u>7,108,114</u>
<b>Total State Financial Assistance</b>		<b>\$ <u><u>8,679,739</u></u></b>

The accompanying notes are an integral part of this schedule

**TOWN OF TRUMBULL, 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 Trumbull, 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 Trumbull, 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 Trumbull, Connecticut.

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

The accounting policies of the Town of Trumbull, 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 Honorable First Selectman and  
Members of the Finance Committee  
Town of Trumbull, Connecticut

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, 2012, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements, and have issued our report thereon dated January 10, 2013. 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 Trumbull, Connecticut, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Trumbull, 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 Trumbull, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Trumbull, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2012-01, that we consider to be a significant deficiency in internal control over financial reporting. 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Trumbull, 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 Trumbull, Connecticut, in a separate letter dated January 10, 2013.

The Town of Trumbull, 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 Trumbull, 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 Finance Committee, others within the entity 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.*

January 10, 2013

**TOWN OF TRUMBULL, 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? X yes \_\_\_\_\_ 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:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education: Vocational Agriculture	11000-SDE64000-17017	\$ 343,121
Department of Energy and Environmental Protection: Clean Water Fund	21014-DEP43720-40001	185,686
Office of Policy and Management: Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	263,186

- Dollar threshold used to distinguish between type A and type B programs: \$200,000

## II. FINANCIAL STATEMENT FINDINGS

<b>2012-01</b>	<b>Financial Reporting Requirements</b>
<b>Criteria</b>	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).
<b>Condition</b>	Significant audit adjustments were posted to the Town's financial statements to properly record transactions in accordance with generally accepted accounting principles. Adjustments included but were not limited to the following: <ul style="list-style-type: none"><li>• Eliminated outdated and incorrect liabilities</li><li>• Balanced interfund activity at year end</li><li>• Recorded distinction between accounts payable and encumbrances at year end</li><li>• Recorded expenditures in the proper period</li></ul>
<b>Context</b>	The Town's General Fund, Enterprise Funds and Internal Service Funds were misstated.
<b>Effect</b>	Significant adjustments were posted to present the financial statements in accordance with GAAP.
<b>Cause</b>	Lack of internal controls and procedures in place to ensure the general ledger and financial statements were reported in conformity with GAAP.
<b>Recommendation</b>	We recommend that the Town develop written policies and procedures to document and establish effective internal controls to ensure financial statements are presented in accordance with GAAP.
<b>Management Response and Planned Corrective Action</b>	The Town's Finance Department has been understaffed and has not been able to implement this recommendation for the fiscal year ended June 30, 2012. The Accounting Manager's position will be filled within the next month and it will free up some time for us to address this issue for the fiscal year ending June 30, 2013.

## III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

#### IV. STATUS OF PRIOR YEAR FINDINGS

##### **Prior Audit Findings Unresolved:**

<u>Finding Number</u>	<u>Description</u>
IC11-1	Significant deficiencies in internal control over financial statement reporting. Finding was repeated and updated as Finding No. 2012-01.

**TOWN OF TRUMBULL, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2012**

**TOWN OF TRUMBULL, CONNECTICUT**

**FEDERAL SINGLE AUDIT REPORT**

**JUNE 30, 2012**

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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 Honorable First Selectman and  
Members of the Finance Committee  
Town of Trumbull, Connecticut

**Compliance**

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, 2012. 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. 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 Trumbull, Connecticut's management. Our responsibility is to express an opinion on the Town of Trumbull, 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, *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. Our audit does not provide a legal determination of the Town of Trumbull, Connecticut's compliance with those requirements.

In our opinion, the Town of Trumbull, 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, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and that is described in the accompanying schedule of findings and questioned costs as item 2012-02.

## **Internal Control over Compliance**

Management of the Town of Trumbull, 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 Trumbull, 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 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.

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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2012-02. 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.

## **Schedule of Expenditures of Federal Awards**

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, 2012 and have issued our report thereon dated January 10, 2013, 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 Trumbull, Connecticut's 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 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 federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

This report is intended solely for the information and use of management, the Finance Committee, others within the entity, 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.*

January 10, 2013

**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number/ Project Number</u>	<u>Expenditures</u>
<b>United States Department of Agriculture</b>			
<i>Passed Through the State of Connecticut</i>			
<i>Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 1,993
National School Lunch Program	10.555	12060-SDE64370-20560	<u>334,924</u>
			\$ 336,917
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	28,167
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	<u>1,302</u>
			<u>29,469</u>
Total United States Department of Agriculture			<u>366,386</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	227,052
Special Education Cluster:			
Special Education - Grants to States	84.027	12060-SDE64370-20977	1,267,495
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	<u>36,205</u>
			1,303,700
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742	38,868
English Language Acquisition Grants	84.365	12060-SDE64370-20868	15,929
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858	147,432
Education Jobs Fund	84.410	12060-SDE64370-22405	<u>179,902</u>
Total United States Department of Education			<u>1,912,883</u>

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**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

<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 Health and Human Services</b>			
<i>Passed Through the State of Connecticut Department of Mental Health and Addiction Services:</i>			
CT Partnership for Success	93.243	12060-MHA53282-22362	\$ <u>74,998</u>
<b>United States Department of Homeland Security</b>			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Homeland Security Grant Program	97.067	12060-DPS32160-21877	62,940
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32985-21891	\$ 212,093
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12060-DPS32000-22520	<u>351,826</u>
			<u>563,919</u>
Total United States Department of Homeland Security			<u>626,859</u>
<b>United States Department of Justice</b>			
<i>Direct:</i>			
Bulletproof Vest Partnership Program	16.607		21,855
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS32523-26156	15,000
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	12060-DPS32523-29078	<u>5,872</u>
			<u>20,872</u>
Total United States Department of Justice			<u>42,727</u>

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**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

<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 Transportation</b>			
Highway Planning and Construction Cluster:			
<i>Passed Through the State of Connecticut Department of Environmental Protection:</i>			
Recreational Trails Program	20.219	12060-DEP44321-20296	\$ 13,165
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction	20.205	12062-DOT57124-22108 12062-DOT57161-29015	65 <u>129,760</u>
			\$ 142,990
Highway Safety Cluster:			
Alcohol Traffic Safety and Drunk Driving	20.601	12062-DOT57513-22086	16,809
Safety Belt Performance Grants	20.609	12062-DOT57513-22093	<u>2,469</u>
			19,278
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	47,756
Capital Assistance Program - Elderly Persons/Persons with Disabilities	20.513	12062-DOT57931-21361	<u>40,000</u>
Total United States Department of Transportation			<u>250,024</u>
<b>United States Department of Energy</b>			
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Energy Efficiency and Conservation Block Grant Program - Recovery Act	81.128	12060-OPM20810-29009	<u>125,620</u>
<b>Total Federal Awards Expended</b>			\$ <u><u>3,399,497</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, 2012**

**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, 2012. 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 assets 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 \$69,655 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 Honorable First Selectman and  
Members of the Finance Committee  
Town of Trumbull, Connecticut

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, 2012, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements, and have issued our report thereon dated January 10, 2013. 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 Trumbull, Connecticut, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Trumbull, 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 Trumbull, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Trumbull, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2012-01, that we consider to be a significant deficiency in internal control over financial reporting. 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Trumbull, 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 Trumbull, Connecticut, in a separate letter dated January 10, 2013.

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

This report is intended solely for the information and use of management, the Finance Committee, others within the entity, 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.*

January 10, 2013

**TOWN OF TRUMBULL, 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?   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?   X   yes        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?

  X   yes        no

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
81.128	Energy Efficiency and Conservation Block Grant Program, Recovery Act

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

<b>2012-01</b>	<b>Financial Reporting Requirements</b>
<b>Criteria</b>	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).
<b>Condition</b>	Significant audit adjustments were posted to the Town's financial statements to properly record transactions in accordance with generally accepted accounting principles. Adjustments included but were not limited to the following: <ul style="list-style-type: none"><li>• Eliminated outdated and incorrect liabilities</li><li>• Balanced interfund activity at year end</li><li>• Recorded distinction between accounts payable and encumbrances at year end</li><li>• Recorded expenditures in the proper period</li></ul>
<b>Context</b>	The Town's General Fund, Enterprise Funds and Internal Service Funds were misstated.
<b>Effect</b>	Significant adjustments were posted to present the financial statements in accordance with GAAP.
<b>Cause</b>	Lack of internal controls and procedures in place to ensure the general ledger and financial statements were reported in conformity with GAAP.
<b>Recommendation</b>	We recommend that the Town develop written policies and procedures to document and establish effective internal controls to ensure financial statements are presented in accordance with GAAP.
<b>Management Response and Planned Corrective Action</b>	The Town's Finance Department has been understaffed and has not been able to implement this recommendation for the fiscal year ended June 30, 2012. The Accounting Manager's position will be filled within the next month and it will free up some time for us to address this issue for the fiscal year ending June 30, 2013.

### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>2012-02</b>	Equipment and Real Property Management
<b>Program</b>	81.128 - Energy Efficiency and Conservation Block Grant Program, Recovery Act
<b>Criteria</b>	Title to assets acquired with federal awards shall be used for its authorized purpose and may not be disposed of or encumbered without prior consent of the awarding agency.
<b>Condition</b>	The Town does not currently segregate assets within their financial management system by funding source to identify assets acquired with federal funds.
<b>Questioned Costs</b>	None noted.
<b>Context</b>	Funding was used to purchase energy efficient windows for the Town Hall.
<b>Effect</b>	The federal government may not be notified when assets purchased with federal awards are disposed of by the Town.
<b>Cause</b>	The Town's current control system for tracking capital assets does not appropriately segregate federally awarded assets.
<b>Recommendation</b>	We recommend that the Town adjust their capital asset system to track assets purchased with federal funds. Procedures should be implemented to notify the federal government if and when these assets are disposed.
<b>Management Response and Planned Corrective Action</b>	The Town's Finance Department will implement procedures to adequately segregate federally awarded assets for the fiscal year ending June 30, 2013.

### IV. STATUS OF PRIOR YEAR FINDINGS

#### Prior Audit Findings Unresolved:

<u>Finding Number</u>	<u>Description</u>
IC11-1	Significant deficiencies in internal control over financial statement reporting. Finding was repeated and updated as Finding No. 2012-01.