

**TOWN OF OXFORD, CONNECTICUT**  
**STATE SINGLE AUDIT**  
**YEAR ENDED JUNE 30, 2013**  
**with**  
**INDEPENDENT AUDITOR'S REPORTS**

*Sandra E. Welwood, LLC*  
Certified Public Accountants

**TOWN OF OXFORD, CONNECTICUT**

**STATE SINGLE AUDIT**

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**JUNE 30, 2013**

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## 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*

### Independent Auditor's Report

To the Board of Finance  
Town of Oxford, Connecticut

We have audited, 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Oxford, 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 Oxford, Connecticut's basic financial statements, and have issued our report thereon dated November 29, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Oxford, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Oxford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Oxford, 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. 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.

## **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the Town of Oxford in a separate letter dated November 29, 2013.

## **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 Oxford, 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 Oxford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Sandra E. Welwood, LLC". The signature is written in a cursive style.

Danbury, Connecticut  
November 29, 2013

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## Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

### Independent Auditor's Report

To the Board of Finance  
Town of Oxford, Connecticut

#### **Report on Compliance for Each Major State Program**

We have audited the Town of Oxford, 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 Oxford, Connecticut's major state programs for the year ended June 30, 2013. Town of Oxford, Connecticut's major state programs are identified in the summary of auditor's 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 state programs.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Oxford, Connecticut's major state 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 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 Oxford, 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 state program. However, our audit does not provide a legal determination of the Town of Oxford, Connecticut's compliance.

#### **Opinion on Each Major State Program**

In our opinion, the Town of Oxford, 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 state programs for the year ended June 30, 2013.

## **Report on Internal Control over Compliance**

Management of the Town of Oxford, 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 Oxford, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 Oxford, 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 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. 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 state 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 requirement of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the Town of Oxford, Connecticut, as of and for the year ended June 30, 2013 and have issued our report thereon dated November 29, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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.

*Sandra E. Welwood, LLC*

Danbury, Connecticut  
November 29, 2013

**TOWN OF OXFORD, CONNECTICUT**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>State Grantor Pass - Through Grantor Program Title</b>	<b>State Grant Program CORE-CT Number</b>	<b>Expenditures</b>
<b><u>State Department of Education</u></b>		
Adult education	11000-SDE64370-17030	\$ 1,124
Child nutrition	11000-SDE64370-16211	7,392
Healthy foods	11000-SDE64370-16212	16,057
		<u>24,573</u>
<b><u>Office of Policy and Management</u></b>		
Property tax relief for elderly and totally disabled homeowners	11000-OPM20600-17018	39,327
PILOT on state owned property	11000-OPM20600-17004	235,665
Property tax relief	11000-OPM20600-17011	1,206
Property tax relief for veterans	11000-OPM20600-17024	6,440
Housing zone program	12060-OPM20600-90526	15,000
Local capital improvement program (LOCIP)	12050-OPM20600-40254	249,988
		<u>547,626</u>
<b><u>Department of Transportation</u></b>		
Town Road Aid - Grants Municipal	13033-DOT57131-43459	136,771
Bus operations	12001-DOT57931-12175	19,209
		<u>155,980</u>
<b><u>Connecticut State Library</u></b>		
Grants to public libraries	11000-CSL66051-17003	1,207
Connecticard payments	11000-CSL66051-17010	145
		<u>1,352</u>
<b><u>Department of Economic and Community Development</u></b>		
Small town economic assistance program	12052-ECD46350-42411	251,123
		<u>251,123</u>
<b><u>Department of Justice</u></b>		
Non-budgeted operating appropriation	34001-JUD95162-40001	1,790
		<u>1,790</u>
<b>Total state financial assistance before exempt programs</b>		<u>982,444</u>
<b><u>Exempt programs:</u></b>		
<b><u>Department of Education</u></b>		
Public school transportation	11000-SDE64370-17027	47,478
Education cost sharing	11000-SDE64370-17041	4,657,691
Special education - excess costs - student based	11000-SDE64370-17047	517,555
School construction grants	13010-SDE64370-40901	37,166
		<u>5,259,890</u>
<b><u>Office of Policy and Management</u></b>		
Municipal video competition	12060-OPM20600-35362	7,678
Municipal revenue sharing	12060-OPM20600-35458	174,251
Mashantucket Pequot Grant	12009-OPM20600-17005	32,357
		<u>214,286</u>
<b>Total exempt programs</b>		<u>5,474,176</u>
<b>Total state financial assistance</b>		<u><u>\$ 6,456,620</u></u>

See notes to schedule.

**TOWN OF OXFORD, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of the Town of Oxford, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2013. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Oxford, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, transportation, property tax relief, local improvement, and public health.

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Town of Oxford, Connecticut conform to generally accepted accounting principles as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

*Basis of Accounting*

The financial statements contained in the Town of Oxford, Connecticut's annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when cash is received or when measurable and available.
- Expenditures are recorded when the liability is incurred.

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.



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

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**I. Summary of Auditor's Results**

Financial Statements

Type of auditor's opinion issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes X no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes X none

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

Type of auditor's opinion 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>
<u>Office of Policy and Management</u>		
Local capital improvement program	12050-OPM20600-40254	\$ <u>249,988</u>
<u>Department of Economic and Community Development</u>		
Small town economic assistance program	12052-ECD46350-42411	\$ <u>251,123</u>

- Dollar threshold used to distinguish between type A and B programs \$ 100,000

**Town of Oxford, Connecticut**  
**Schedule of Findings and Questioned Costs (continued)**

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**II. Financial Statements Findings**

No findings were reported.

**III. State Financial Assistance Findings and Questioned Costs**

No findings or questioned costs were reported.

**TOWN OF OXFORD, CONNECTICUT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**12-1 – Board of Education Activity Reconciliation to the General Fund Trial Balance**

**Finding:** The Board of Education (BOE) General Fund activity is not recorded or reconciled to the General Fund trial balance.

**Disposition:** This finding has been resolved.

**10-2 – Unrecorded Activity**

**Finding:** The financial records and reports of the Town do not include all activities of the Rental Fund, Board of Education Section 125 Plan, Board of Education Central Activities Fund and Town Clerk accounts.

**Disposition:** This finding has been resolved.