

**TOWN OF OXFORD, CONNECTICUT**

**FEDERAL SINGLE AUDIT**

**YEAR ENDED JUNE 30, 2013**

**with**

**INDEPENDENT AUDITOR'S REPORTS**

*Sandra E. Welwood, LLC*

Certified Public Accountants

**TOWN OF OXFORD, CONNECTICUT**

**FEDERAL SINGLE AUDIT**

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**JUNE 30, 2013**

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## Independent Auditor's 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 Board of Finance  
Town of Oxford, Connecticut

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

We have audited the Town of Oxford, Connecticut's ("Town") 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 the Town's major federal program for the year ended June 30, 2013. The Town'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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Town'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'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's compliance.

## ***Opinion on Major Federal Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2013.

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

Management of the Town 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's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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'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.

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 of each major fund, and the aggregate remaining fund information of the Town 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 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 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 basic financial statements as a whole.

*Sandra E. Welwood, LLC*

Danbury, Connecticut  
November 29, 2013

TOWN OF OXFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

| Federal Grantor / Pass Through<br>Grantor / Program Title                              | Federal<br>CFDA Number | Pass-Through Entity<br>Identifying Number | Federal<br>Expenditures    |
|----------------------------------------------------------------------------------------|------------------------|-------------------------------------------|----------------------------|
| <b><u>Department of Education</u></b>                                                  |                        |                                           |                            |
| <b>Passed through the Connecticut Department of Education:</b>                         |                        |                                           |                            |
| Title I Grants to Local Educational Agencies - 2012                                    | 84.010                 | 12060-SDE64370-20679                      | \$ 37,942                  |
| Title I Grants to Local Educational Agencies - 2013                                    | 84.010                 | 12060-SDE64370-20679                      | 50,000                     |
|                                                                                        |                        |                                           | <u>87,942</u>              |
| IDEA Individuals with Disabilities - 2012                                              | 84.027                 | 12060-SDE64370-20977                      | 158,482                    |
| IDEA Individuals with Disabilities - 2013                                              | 84.027                 | 12060-SDE64370-20977                      | 249,770                    |
| Special Education - Preschool Grants                                                   | 84.173                 | 12060-SDE64370-20983                      | 11,072                     |
|                                                                                        |                        |                                           | <u>419,324</u>             |
| Improving Teacher Quality State Grants - 2012                                          | 84.367                 | 12060-SDE64370-20858                      | 256                        |
| Improving Teacher Quality State Grants - 2013                                          | 84.367                 | 12060-SDE64370-20858                      | 20,392                     |
|                                                                                        |                        |                                           | <u>20,648</u>              |
| Education Jobs Fund                                                                    | 84.410                 | 12060-SDE64370-22405                      | 88,786                     |
|                                                                                        |                        |                                           | <u>88,786</u>              |
| <b>Total department of education</b>                                                   |                        |                                           | <b><u>616,700</u></b>      |
| <b><u>Department of Agriculture</u></b>                                                |                        |                                           |                            |
| <b>Passed through the Connecticut Department of Education:</b>                         |                        |                                           |                            |
| National School Lunch Program - 2012                                                   | 10.555                 | 12060-SDE64370-20560                      | 27,616                     |
| National School Lunch Program - 2013                                                   | 10.555                 | 12060-SDE64370-20560                      | 54,273                     |
| Special Milk Program - 2012                                                            | 10.566                 | 12060-SDE64370-20500                      | 416                        |
| Special Milk Program - 2013                                                            | 10.566                 | 12060-SDE64370-20500                      | 1,024                      |
| <b>Passed through the Connecticut Department of<br/>Administrative Services:</b>       |                        |                                           |                            |
| Food Distribution Program - DAS Commodities                                            | 10.550                 |                                           | 31,169                     |
| <b>Total department of agriculture</b>                                                 |                        |                                           | <b><u>114,498</u></b>      |
| <b><u>Department of Transportation:</u></b>                                            |                        |                                           |                            |
| <b>Passed through the State Department of<br/>Energy and Environmental Protection:</b> |                        |                                           |                            |
| ARRA - Energy Efficiency and Conservation                                              | 81.128                 | 12060-DEP44720-29072                      | <u>1,200</u>               |
| <b><u>Department of Homeland Security:</u></b>                                         |                        |                                           |                            |
| <b>Passed through the State Department of Public Safety:</b>                           |                        |                                           |                            |
| Emergency Management Performance Grant                                                 | 97.036                 | 12060-EHS99690-21881                      | 3,861                      |
| FEMA Public Assistance - 2012                                                          | 97.036                 | 12060-DPS32990-21891                      | 193,026                    |
| FEMA Public Assistance - 2013                                                          | 97.036                 | 12060-DPS32990-21891                      | 141,238                    |
| FEMA Public Assistance DR4046 - 2012                                                   | 97.036                 | 12060-DPS32990-22520                      | 166,364                    |
| <b>Total department of homeland security</b>                                           |                        |                                           | <b><u>504,489</u></b>      |
| <b><u>Department of Housing and Urban Development:</u></b>                             |                        |                                           |                            |
| <b>Passed through the State Department of Transportation:</b>                          |                        |                                           |                            |
| ARRA - FHWA - Urban > 200K                                                             | 20.205                 | 12062-DOT57171-29015                      | <u>23,077</u>              |
| <b>Total federal financial assistance expenditures</b>                                 |                        |                                           | <b><u>\$ 1,259,964</u></b> |

See notes to schedule.

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

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Town of Oxford, 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 Oxford, 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 Oxford, 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 to reimbursement.

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## Independent Auditor's 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 Board of Finance  
Town of Oxford, 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, each major fund, and the aggregate remaining fund information of the Town of Oxford, Connecticut (the "Town") as of and for the year ended June 30, 2013 and the related notes to the financial statements which collectively comprise the Town'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'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 a 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 a 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, 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'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 consolidated 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 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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sandra E. Welwood, LLC*

Danbury, Connecticut  
November 29, 2013

**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 auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ yes  X  no

- The following schedule reflects the major programs included in the audit:

| <u>Name of Federal Program</u> | <u>CFDA Number</u> |
|--------------------------------|--------------------|
| FEMA Public Assistance         | 97.036             |
| Special Education Cluster      | 84.027/84.173      |

- Dollar threshold used to distinguish between type A and B programs \$ 300,000

• Auditee qualified as low-risk? \_\_\_\_\_ yes  X  no

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

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**II. Financial Statements Findings**

No findings were reported.

**III. Federal Award 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.