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# **TOWN OF OXFORD, CONNECTICUT**

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State Single Audit

For the Year Ended June 30, 2022

# TOWN OF OXFORD, CONNECTICUT

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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 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 14, 2023.

**Report on 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) as a basis for designing 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 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 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.

## **Report on Compliance and Other Matters**

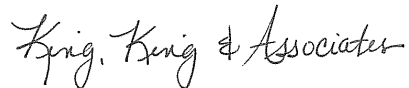
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-01.

## **The Town of Oxford's Response to Findings**

The Town of Oxford's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Towns' 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'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.



King, King & Associates, CPAs  
Winsted, CT  
February 14, 2023



**INDEPENDENT AUDITOR'S 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**

To the Board of Finance  
Town of Oxford, Connecticut

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

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

We have audited the Town of Oxford, CT's ("Town") 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's major state programs for the year ended June 30, 2022. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 each of its major state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (C.G.S. Section 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of the report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on the compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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. 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.

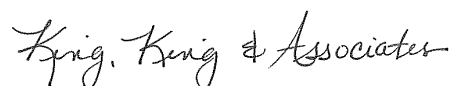
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 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 governmental activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated February 14, 2023, 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 Town's basic 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 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



King, King & Associates, CPAs  
Winsted, CT  
February 14, 2023

**TOWN OF OXFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
<b>Connecticut State Library</b>		
Connecticard Payments	11000-CSL66051-17010	\$ 380
Historic Document Preservation	12060-CSL66094-35150	5,500
CT Education Network	12052-CSL66011-43649	43,070
<b>Department of Transportation</b>		
Town Aid Road Grants - Municipal	12052-DOT57131-43455	139,303
Town Aid Road Grants - STO	13033-DOT57131-43459	139,303
Bus Operations	12001-DOT57931-12175	25,611
Let's Go CT - Ramp Up Program	13033-DOT57551-43667	398,200
Local Transport Capital Improvement Program	13033-DOT57197-43584	1,219,592
<b>Department of Energy and Environmental Protection</b>		
Environmental Conservation	11000-DEP44165-12491	2,999
<b>Department of Justice</b>		
Judicial Fines and Fees	34001-JUD95162-40001	1,115
<b>Department of Education</b>		
Talent Development	11000-SDE64370-12552	2,045
Healthy Foods Initiative Grant	11000-SDE64370-16212	10,795
Adult Education	11000-SDE64370-17030	1,615
School Breakfast Grant	11000-SDE64370-17046	7,947
Magnet School Transportation	11000-SDE64370-17057	10,750
Child Nutrition State Matching Grant	11000-SDE64370-16211	6,843
<b>Office of Policy and Management</b>		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	134,836
MRSA - Tiered Payment in Lieu of Taxes (PILOT)	12060-OPM20600-35691	47,916
Property Tax Relief for Totally Disabled Persons	11000-OPM20600-17011	875
Local Capital Improvement Program	12050-OPM20600-40254	19,977
Municipal Grants-in-aid	12052-OPM20600-43587	84,313
Distressed Municipalities	11000-OPM20600-17016	11,308
Distressed Municipalities	12052-OPM20600-43750	36,873
Property Tax Relief for Veterans	11000-OPM20600-17024	1,288
<b>Total State Financial Assistance Before Exempt Programs</b>		<b>\$ 2,352,454</b>
<b>EXEMPT PROGRAMS</b>		
<b>Office of Policy and Management</b>		
Municipal Stabilization Grant	11000-OPM20600-17104	267,543
<b>Department of Education</b>		
Educational Cost Sharing	11000-SDE64370-17041-82010	3,688,395
Excess Cost Student Based	11000-SDE64370-17047	714,367
<b>Total Exempt Programs</b>		<b>4,670,305</b>
<b>Total State Financial Assistance</b>		<b>\$ 7,022,759</b>

See notes to schedule.



**TOWN OF OXFORD, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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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, 2022. 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. These financial assistance programs fund several programs including education, transportation, property tax relief, local improvements, and public health.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Oxford, Connecticut conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

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 fund financial statements contained in the Town of Oxford, Connecticut's annual report are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become both measurable and available while expenditures are recognized in the accounting period in which the fund liability is incurred.

The government-wide financial statements are prepared on the accrual basis of accounting. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred.

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported 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 of Expenditure of State Financial Assistance.

**TOWN OF OXFORD, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

We audited the financial statements of the Town of Oxford, Connecticut as of and for the year ended June 30, 2022, and issued our unmodified report thereon dated February 14, 2023.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None Reported

Noncompliance material to financial statements noted?

✓ Yes    \_\_\_\_\_ No

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

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    ✓ No

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

<b><u>State Grantor and Program</u></b>	<b><u>State Core - CT Number</u></b>	<b><u>Expenditures</u></b>
<b>Department of Transportation</b>		
Let's Go CT - Ramp Up Program	13033-DOT57551-43667	\$ 398,200
Local Transport Capital Improvement Program	13033-DOT57197-43584	\$ 1,219,592
<b>Office of Policy and Management</b>		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	\$ 134,836
MRSA - Tiered Payment in Lieu of Taxes (PILOT)	12060-OPM20600-35691	\$ 47,916
Distressed Municipalities	11000-OPM20600-17016	\$ 11,308
Distressed Municipalities	12052-OPM20600-43750	\$ 36,873

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

**TOWN OF OXFORD, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated February 14, 2023, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated reportable instances of noncompliance described below as Finding 2021-01.

**FINDING 2021-01 – NONCOMPLIANCE WITH BUDGETARY RESTRICTIONS**

**Criteria**

The Town must comply with budgetary restrictions imposed by the Town Charter.

**Condition**

Certain departmental expenditures exceeded appropriations and were not approved by the legislative body at a Town meeting.

**Context**

A local match for a federal grant which exceeded \$50,000 was spent from the General Fund. Per the Charter, Town meeting is required in these circumstances.

**Effect**

The authorized budgetary appropriation was exceeded.

**Cause**

The additional appropriations needed to cover actual expenditures were not brought to a Town meeting.

**Recommendation**

We recommend that the Town ensure compliance with all rules and regulations applicable to budgetary amendments.

**Views of Responsible Officials and Planned Corrective Actions**

The Town will adhere to the budgetary procedures in the future. The Grant Writer will be instructed to secure the Town portion of matching funds before the contract is sent to the Selectmen for signing. The Grant Writer will also be instructed to review all change orders and if any change order will increase the Town's participation in the Grant, then additional funding will be requested at that time.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

**TOWN OF OXFORD, CONNECTICUT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Prior Year Reportable Instances of Noncompliance**

**Finding 2019-02 – Noncompliance with Budgetary Restrictions**

This finding has been repeated.

**Prior Year Significant Deficiencies**

**Finding 2019-03 – Significant Deficiency in Bank Reconciliations**

This finding has been corrected.