
TOWN OF WINCHESTER, CONNECTICUT

Federal Single Audit

For the Year Ended June 30, 2022

TOWN OF WINCHESTER, CONNECTICUT

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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 Board of Selectmen
Town of Winchester, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winchester, 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 January 27, 2023.

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 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.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
January 27, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of Selectmen
Town of Winchester, Connecticut

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

We have audited the Town of Winchester, Connecticut's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal 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 federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the 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 audit requirements of Title 2 U.S Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our 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 federal 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 contracts or grant agreements applicable to the Town's federal programs.

Auditors' 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 Uniform Guidance 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 requirement of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Uniform Guidance, 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 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.

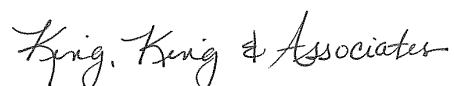
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as of and for the year ended June 30, 2022, and have issued our report thereon dated January 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions 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 the Uniform Guidance 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.



King, King & Associates, CPAs
Winsted, CT
January 27, 2023

TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY'S IDENTIFYING NUMBER	Total Expended
United States Department of Agriculture			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 143,425
National School Lunch Program - USDA Commodities	10.555	12060-SDE64370-20560	12,752
National School Lunch Program	10.555	12060-SDE64370-20560	325,296
Summer Food Program	10.559	12060-SDE64370-20540	74,833
Summer Food Program - Sponsor Admin	10.559	12060-SDE64370-20548	<u>7,676</u>
			\$ 563,982
State Administrative Expense for Child Nutrition - Supply Chain Assistance	10.560	12060-SDE64370-23126	14,884
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	12060-SDE64370-29802	1,228
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679	242,374
Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	12060-SDE64370-29571	674,501
American Rescue Plan - ESSER - Summer Enrichment	84.425U	12060-SDE64370-29636	165,522
American Rescue Plan - ESSER - IDEA 611	84.425U	12060-SDE64370-23083	11,375
American Rescue Plan - ESSER - IDEA 619	84.425U	12060-SDE64370-29684	<u>775</u>
			852,173
Special Education Cluster:			
Special Education - Preschool Grants	84.173	12060-SDE64370-20983	11,100
Special Education - Grants to States	84.027	12060-SDE64370-20977	<u>352,418</u>
			363,518
Title IV-A: Student Support and Academic Enrichment	84.424	12060-SDE64370-22854	12,471
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858	29,758
<i>Passed Through EdAdvance:</i>			
Title III: English Language Acquisition	84.365A	N/A	5,284
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation</i>			
Highway Planning & Construction	20.205	12062-DOT57171-22108	220,161
State and Community Highway Safety	20.600	12062-DOT57513-20559	1,176
United States Department of Health and Human Services			
<i>Passed Through the State of Connecticut Office of Early Childhood</i>			
Child Care Development Block Grant	93.575	12060-OEC64845-29628	19,140
United States Department of The Treasury			
<i>Passed Through the State of Connecticut Office of Policy & Management</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	12060-DOT20600-29669	278,299
United States Department of Environmental Protection Agency			
<i>Passed Through the State of Connecticut Department of Public Health</i>			
Clean Water State Revolving Fund Cluster:			
Drinking Water State Revolving Fund - Revenue Bonds	66.468	21018-DPH48500-42319	432,302
Drinking Water State Revolving Fund - Construction Subsidy	67.468	12060-DPH48500-22467	<u>421,052</u>
			853,354
United States Department of Justice			
<i>Passed Through the State of Connecticut Department of Public Safety</i>			
Byrne Criminal Justice Innovation Program	16.817	12060-DPS32523-26230	2,341
<i>Passed Through the State of Connecticut Office of Policy and Management</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS20350-21921	25,326
United States Department of Homeland Security			
<i>Passed Through the State of Connecticut Department of Public Safety</i>			
COVID-19 - Disaster Grants - Public Assistance	97.036	12060-DPS32990-21891	3,669
Emergency Management Performance Grant	97.042	12060-DPS32160-21881	<u>4,522</u>
Total Expenditures of Federal Awards			\$ 3,493,660

TOWN OF WINCHESTER, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of the Town of Winchester, Connecticut ("Town") under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Summary of Significant Accounting Policies

Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The financial statements for the governmental fund types contained in the Town's basic financial statements are prepared on the modified accrual basis of accounting. The government-wide financial statements and the financial statements for the business-type activities are prepared on the full accrual basis of accounting.

- Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period.
- Expenditures are generally recorded when the related fund liability is incurred, if measurable.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Noncash Awards

Donated commodities in the amount of \$12,752 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. This amount represents the market value of commodities received.

Indirect Costs

The Town of Winchester has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

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

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Town of Winchester, Connecticut as of and for the year ended June 30, 2022 and issued our unmodified report thereon dated January 27, 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

Federal Awards

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 Federal programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Guidance?

_____ Yes ✓ No

Identification of Major Programs

66.468 Clean Water State Revolving Fund
84.425 Education Stabilization Fund

Dollar Threshold

Dollar threshold used to distinguish between type A and type B programs: \$750,000.

Low-Risk Auditee

The Town of Winchester, Connecticut qualified as a low-risk auditee.

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

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 27, 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 no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no matters were reported.

III. FEDERAL AWARD - FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to federal award programs.