
TOWN OF WINCHESTER, CONNECTICUT

State 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 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 Selectmen
Town of Winchester, Connecticut

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

We have audited the Town of Winchester, Connecticut's (the "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 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 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 contracts or grant agreements applicable to the Town's state 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 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-01], to be significant deficiencies.

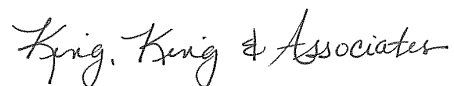
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, the 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 unmodified opinions on those financial statements. Our audit was performed for the purpose of forming 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 basic financial statements as a whole.



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

TOWN OF WINCHESTER, 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
Department of Education		
Alliance District	11000-SDE64370-17041-82164	\$ 200,966
Healthy Foods Initiative	11000-SDE64370-16212-82010	5,866
Child Nutrition Program - (School Lunch State Match)	11000-SDE64370-16211-82051	5,129
Family Resource Centers	11000-SDE64370-16110	101,650
Adult Education	11000-SDE64370-17030	19,587
School Breakfast	11000-SDE64370-17046	5,298
After School Program	11000-SDE64370-17084	161,878
Low Performing Schools	11000-SDE64370-43728	6,599
Office of Early Childhood		
School Readiness and Child Care in Competitive Grant Municipalities	11000-OEC64845-16274	281,670
Child Care Quality Enhancement	11000-OEC64845-16158	3,881
Connecticut State Library		
Historic Documents Preservation Grants	12060-CSL66094-35150	5,500
Judicial Department		
Parking Fines	34001-JUD95162-40001	2,557
Office of Policy and Management		
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	1,167
Property Tax Relief for Veterans	11000-OPM20600-17024	1,342
Tiered PILOT	11000-OPM20600-17111	154,680
Tiered PILOT - MRSA	12060-OPM20600-35691	54,968
Responsible Growth Incentive	12050-OPM20600-43130	141,148
Body Worn Camera Reimbursement Program	12052-OPM20350-43760	51,495
Municipal Grants-in-aid	12052-OPM20600-43587	306,204
Department of Children and Families		
Grants for Out Patient Psychiatric Clinics for Children	11000-DCF91100-16024	334
Department of Housing		
Bond Fund Consolidation Receipts	12039-DOH46920-40233	7,403
Department of Emergency Services and Public Protection		
Volunteer Firefighter Training	11000-DPS32251-17110	3,510
School Security Infrastructure Competitive Grant	12052-DPS32900-43546	72,487
Drug Asset Forfeiture	12060-DPS32155-35142	870
Telecommunications Fund	12060-DPS32700-35190	19,505

See notes to schedule.

TOWN OF WINCHESTER, 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
Department of Energy and Environmental Protection		
Responsible Growth Incentive	12052-DEP43153-43130	47,597
Environmental Conservation Fund	11000-DEP44165-12491	1,116
Recreation & Natural Heritage Trust	17161-DEP43153-43656	1,159
Department of Transportation		
Town Aid Road Grants - Municipal	12052-DOT57131-43455	149,678
Town Aid Road - STO	13033-DOT57131-43459	149,678
Local Road & Bridge Program	13033-DOT57191-43456	35,263
Department of Development Services		
Employment Opportunities & Day Services	11000-DDS50148-16108	478,554
Total State Financial Assistance Before Exempt Programs		\$ 2,478,739
EXEMPT PROGRAMS		
Office of Policy and Management		
Municipal Stabilization Grant	11000-OPM20600-17104	105,432
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-17005	49,474
Department of Education		
Educational Cost Sharing	11000-SDE64370-17041-82010	7,843,957
Excess Costs Student Based and Equity	11000-SDE64370-17047	547,255
Department of Administrative Services		
School Construction Grant	13010-DAS27635-43744	7,710,846
Total Exempt Programs		16,256,964
Total State Financial Assistance		\$ 18,735,703

See notes to schedule.

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

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Winchester, 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 of the Town.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, if measurable.

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 Expenditures of State Financial Assistance.

2. LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2022:

Department of Environmental Protection:

Clean Water Funds:

Issue Date	Interest Rate	Original Amount	Balance Beginning	Issued	Retired	Balance Ending
1/08	2%	\$ 642,019	\$ 203,823	\$ -	\$ 34,854	\$ 168,969

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

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified? ✓ Yes No

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

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

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>
Department of Education		
Alliance District	11000-SDE64370-17041-82164	\$ 200,966
Office of Policy and Management		
Tiered PILOT ¹	11000-OPM20600-43587	\$ 154,680
Tiered PILOT - MRSA ¹	12060-OPM20600-35691	\$ 54,968
Body Worn Camera Reimbursement Program	12052-OPM20350-43760	\$ 51,495
Department of Transportation		
Town Aid Road Grants - Municipal ²	12052-DOT57131-43455	\$ 149,678
Town Aid Road - STO ²	13033-DOT57131-43459	\$ 149,678
Department of Development Services		
Employment Opportunities & Day Services	11000-DDS50148-16108	\$ 478,554
^{1,2} Note - While these grants have different State Core CT Numbers, they are considered one major program for testing purposes.		
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

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. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

FINDING 2022-01 – Significant Deficiency in Internal Control over Compliance

Program

Office of Policy and Management – Body Worn Camera Reimbursement Program
State Grant Program CORE CT Number: 12052-OPM20350-43760

Criteria

The Town is required to annually submit form OPM-DE-2017 to OPM within 90 days of the fiscal year-end.

Condition

The form OPM-DE-2017 was submitted to OPM after the filing deadline.

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

Questioned Costs

None noted.

Context

The form OPM-DE-2017 had not been submitted by September 30th

Effect

The Town's required annual filing was not completed timely.

Cause

The new Finance Director noted that there were unreimbursed expenditures omitted from prior year submissions. The Finance Director compiled and reviewed data to ensure the form OPM-DE-2017 aligns with the 2022 SEFA.

Recommendation

We recommend that the Town ensures proper controls are in place to ensure timely filing in the future.

Views of Responsible Officials and Planned Corrective Actions

The Town agrees with the finding and will ensure timely filing in the future.