

TOWN OF WOODSTOCK, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDITS**

FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF WOODSTOCK, CONNECTICUT
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INTERNAL CONTROL AND COMPLIANCE REPORT

**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 Woodstock, 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 Woodstock, 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 December 22, 2022.

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 opinions 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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedules of federal and state findings and questioned costs as items 2022-001, 2022-002, and 2022-003 that we consider to be significant deficiencies.

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*.

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's responses to the findings identified in our audit and described in the accompanying schedules of findings and questioned costs. The Town's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 results 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

FEDERAL SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Finance
Town of Woodstock, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Woodstock, Connecticut's (the Town), compliance with the types of compliance requirements identified as subject to audit 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 auditor's results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, the Town of Woodstock, 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 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 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 Auditor's 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 of contracts or grant agreements applicable to the Town's federal 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 generally accepted auditing standards, *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 judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements 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 a 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 a 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 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 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 were not 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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 issued our report thereon dated December 22, 2022, 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 basic financial statements. 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 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

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

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed through the Connecticut Department of Education:			
National School Lunch Program - Commodities	-	10.555	\$ 13,307
Fresh Fruit and Vegetable Program (FFVP)	-	10.582	9,767
National School Lunch Program - 2022	12060-SDE64370-20560	10.555	365,385
National School Lunch Program - 2021	12060-SDE64370-20560	10.555	42,876
School Breakfast Program - 2022	12060-SDE64370-20508	10.553	52,043
School Breakfast Program - 2021	12060-SDE64370-20508	10.553	5,334
Total Child Nutrition Cluster			<u>488,712</u>
Passed through the Connecticut Department of Education:			
State Administrative Expenses for Child Nutrition	12060-SDE64370-23126	10.560	18,944
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	12060-SDE63470-29802	10.649	1,228
Total U.S. Department of Agriculture			<u>508,884</u>
U.S. DEPARTMENT OF EDUCATION			
Special Education Cluster:			
Passed through the Connecticut Department of Education:			
Special Education - Grants to States (IDEA, Part B) - 2022	12060-SDE64370-20977	84.027	345,008
Special Education - Grants to States (IDEA, Part B) - 2020	12060-SDE64370-20977	84.027	12,049
Special Education - Grants to States (IDEA, Part B) - ARP - 2022	12060-SDE64370-23083	84.027X	20,000
Special Education - Preschool Grants (IDEA Preschool) - 2022	12060-SDE64215-20977	84.173	12,626
Total Special Education Cluster			<u>389,683</u>
Passed through the Connecticut Department of Education:			
Education Stabilization Fund:			
Elementary & Secondary School Emergency Relief Fund - II 2021	12060-SDE64370-29571	84.425D	309,374
Elementary & Secondary School Emergency Relief Fund - ARP 2021	12060-SDE64370-29636	84.425U	526,106
			<u>835,480</u>
Student Support and Academic Enrichment Program (Title IV, Part A) - 2021	12060-SDE64370-22854	84.424	12,553
Title I Grants to Local Educational Agencies - 2022	12060-SDE64370-20679	84.010	186,064
Supporting Effective Instruction State Grants (Title II, Part A) - 2022	12060-SDE64370-20858	84.367	14,747
Total U.S. Department of Education			<u>1,438,527</u>
U.S. DEPARTMENT OF THE TREASURY			
Passed through the Connecticut Office of Policy and Management:			
Coronavirus State and Local Fiscal Recovery Funds	12060-OPM20600-29669	21.027	570,189
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the Connecticut Department of Emergency Services and Public Protection:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	12060-DPS32990-21891	97.036	1,331
TOTAL FEDERAL AWARDS			<u>\$ 2,518,931</u>

The accompanying notes are an integral part of this schedule.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Woodstock, Connecticut (the Town), conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of federal awards 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).

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. 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 expenditure column of the schedule of expenditures of federal awards.

Because the schedule of expenditures of federal awards 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 fund balances, changes in net position or cash flows of the Town.

NOTE 2 - INDIRECT COST RATE

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Town has no federal awards for which an indirect cost rate is applicable.

NOTE 3 - SUBRECIPIENTS

The Town did not pass through any federal awards to a subrecipient organization.

NOTE 4 - OTHER FEDERAL ASSISTANCE

The United States Department of Agriculture provides commodities to the Town's schools. Amounts of \$13,307 and \$9,767 have been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of donated commodities received under the National School Lunch program and the Fresh Fruits and Vegetables program, respectively, during the year ended June 30, 2022.

No other federal assistance was received in the form of loans, loan guarantees or insurance.

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

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

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ Yes ✓ No

Identification of major programs:

CFDA Number	Name of Federal Program
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ✓ Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2022-001: Significant Deficiency in Internal Control over Financial Reporting - *Reconciliation of the School District's General Ledger with the Town's General Ledger*

Criteria: Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Condition: Expenditures reported by the School District did not reconcile with expenditures reported by the Town. Misstatements were identified and corrected during the audit process.

Cause: Ineffective general ledger reconciliation controls of the School District.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS *(Continued)*

Finding 2022-001: Significant Deficiency in Internal Control over Financial Reporting - *Reconciliation of the School District's General Ledger with the Town's General Ledger (Continued)*

Effect: Unadjusted expenditures reported by the School District were understated within the Town's General Ledger by approximately \$61,000. This included an overstatement of the School District's General Fund expenditures in the amount of \$15,775 and an understatement of the Education Grant Fund expenditures in the amount of \$77,173.

Recommendation: We recommend that the School District work with the Town to ensure all of the School District's activity is properly captured in the Town's general ledger. Differences should be investigated and resolved in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: Management of School District agrees with the finding and intends to take corrective action to address the deficiency.

Finding 2022-002: Significant Deficiency in Internal Control over Financial Reporting - *School District's Accounting and Reconciliation Controls over the Education Grant and Cafeteria Funds*

Criteria: Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Condition: Grant and program revenues are currently being recognized on a cash basis rather than on a modified accrual basis of accounting. As a result, revenues and the related receivables or deferrals are not always complete and accurate. In addition, interfund balances were not fully reconciled with the General Fund.

Cause: Ineffective accounting and reconciliation controls over the School District's general ledger.

Effect: Revenues, related receivables or deferrals, and interfunds were not properly recorded in the School District's general ledger.

Views of Responsible Officials and Planned Corrective Actions: Management of School District agrees with the finding and intends to take corrective action to address the deficiency.

Finding 2022-003: Significant Deficiency in Internal Control over Financial Reporting - *School District's Budgetary Monitoring Controls*

Criteria: Section 10-222 of the State of Connecticut General Statutes states that "expenditures by the board of education shall not exceed the appropriation made by the municipality, with such money as may be received from other sources for school purposes. If any occasion arises whereby additional funds are needed by such board, the chairman of such board shall notify the board of finance, board of selectmen or appropriating authority, as the case may be, and shall submit a request for additional funds in the same manner as is provided for departments, boards or agencies of the municipality and no additional funds shall be expended unless such supplemental appropriation shall be granted and no supplemental expenditures shall be made in excess of those granted through the appropriating authority."

Condition: The Board of Finance authorized additional funding for the School District in July 2022. However, this authorization was subsequent to the School District expending in excess of its General Fund budgetary appropriation.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS *(Continued)*

Finding 2022-003: Significant Deficiency in Internal Control over Financial Reporting - *School District's Budgetary Monitoring Controls (Continued)*

Cause: Ineffective controls over budgetary monitoring.

Recommendation: In order to ensure compliance with the statutory requirements, we recommend that the School District strengthen its budgetary monitoring controls. Management of the School District should continuously monitor budgetary performance and should develop contingency plans to address any identified or potential budgetary overages.

Views of Responsible Officials and Planned Corrective Actions: Management of School District agrees with the finding and intends to take corrective action to address the deficiency.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings or questioned costs were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No audit findings were reported in the prior year.

STATE SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Finance
Town of Woodstock, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Woodstock, Connecticut’s (the Town), compliance with the types of compliance requirements identified as subject to audit 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 auditor’s results section of the accompanying schedule of state findings and questioned costs.

In our opinion, the Town of Woodstock, 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, 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; 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 the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditor’s 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 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 generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act 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 judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 a 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 a 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 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 were not 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 issued our report thereon, dated December 22, 2022, 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 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2022

TOWN OF WOODSTOCK, 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
NONEXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Adult Education	11000-SDE64370-17030	\$ 9,084
Non Sheff Transportation	11000-SDE64370-12632	1,950
Healthy Foods Initiative	11000-SDE64370-16212	5,516
Child Nutrition State Matching Grant	11000-SDE64370-16211	4,517
School Breakfast	11000-SDE64370-17046	5,298
Talent Development	11000-SDE64370-12552	1,487
Total Department of Education		<u>27,852</u>
OFFICE OF POLICY AND MANAGEMENT		
Direct:		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	7,251
Tiered Payment in Lieu of Taxes (PILOT)	12060-OPM20600-35691	2,577
		<u>9,828</u>
Local Capital Improvement Program	12050-OPM20600-40254	83,159
Municipal Grants In-Aid	12052-OPM20600-43587	68,767
Property Tax Relief for Veterans	11000-OPM20600-17024	2,244
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	836
Total Office of Policy and Management		<u>164,834</u>
DEPARTMENT OF TRANSPORTATION		
Direct:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	157,711
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459-34005	157,710
Total Department of Transportation		<u>315,421</u>
CONNECTICUT JUDICIAL BRANCH		
Direct:		
Court fees	34001-JUD95162-40001	1,270
DEPARTMENT OF SOCIAL SERVICES		
Direct:		
Medicaid	11000-DSS60000-16020	28,556
Total State Financial Assistance Before Exempt Programs		<u>537,933</u>
EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Education Cost Sharing	11000-SDE64370-17041-82010	4,985,449
Excess Costs Student Based and Equity	11000-SDE64370-17047	199,575
Total Department of Education		<u>5,185,024</u>
OFFICE OF POLICY AND MANAGEMENT		
Direct:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	5,694
Total Exempt Programs		<u>5,190,718</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 5,728,651</u>

The accompanying notes are an integral part of this schedule.

TOWN OF WOODSTOCK, 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 Woodstock, Connecticut (the Town), 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 to the Town 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

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 accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements. 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 expenditure column of the schedule of expenditures of state financial assistance.

Because the schedule of expenditures of state financial assistance 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 fund balances, changes in net position or cash flows of the Town.

NOTE 2 - SUBRECIPIENTS

The Town did not pass through any state financial assistance to a subrecipient organization.

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

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

Type of auditor's report issued on compliance for major programs: Unmodified

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:

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	\$ 157,711
	13033-DOT57131-43459-34005	157,710
		\$ 315,421

Dollar threshold used to distinguish between Type A and Type B programs: \$100,000

SECTION II - FINANCIAL STATEMENT FINDINGS

Refer to findings 2022-001, 2022-002 and 2022-03 reported in the accompanying schedule of federal findings and questioned costs.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No state financial assistance findings or questioned costs were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No prior audit findings were reported.