TOWN OF MONTVILLE, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2024

TOWN OF MONTVILLE, CONNECTICUT
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Town Council
Town of Montville, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Montville, Connecticut's 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 of Montville, Connecticut's major federal programs for the year ended June 30, 2024. The Town of Montville, Connecticut'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 of Montville, Connecticut complied, in all material respects, with the 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, 2024.

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 (GAAS); 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 of Montville, Connecticut 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 of Montville, Connecticut'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 of Montville, Connecticut'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 of Montville, Connecticut'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 judgment made by a reasonable user of the report on compliance about the Town of Montville, Connecticut's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 of Montville, Connecticut'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 of Montville, Connecticut'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 of Montville, Connecticut'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003, and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Town of Montville, Connecticut's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Town of Montville, Connecticut'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.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003, and 2024-004 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 of Montville, Connecticut's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town of Montville, Connecticut'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Town Council
Town of Montville, Connecticut

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

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 of Montville, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Montville, Connecticut's basic financial statements. We have issued our report thereon, dated October 30, 2025, 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 basic 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cranston, Rhode Island
October 30, 2025

TOWN OF MONTVILLE, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	
United States Department of Agriculture					
Passed Through the State of Connecticut Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	12060-SDE64370-20560	$ -	$ 60,296	
National School Lunch Program	10.555	12060-SDE64370-20560	-	486,933	
School Breakfast Program	10.553	12060-SDE64370-20508	-	163,844	
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	-	51,160	
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	-	4,574	
					$ 766,807
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126	-	54,294	
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23292	-	2,926	
					57,220
P-EBT Local Admin	10.649	12060-SDE64370-29802	-		3,265
Total United States Department of Agriculture			-		827,292
United States Department of Transportation					
Passed Through the State of Connecticut Department of Transportation:					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	12062-DOT57513-20559	-	2,130	
National Priority Safety Programs	20.616	12062-DOT57513-22600	-	19,034	
					21,164
Highway Planning and Construction	20.205	12062-DOT57191-22108	-		2,602
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	-		61,332
Total United States Department of Transportation			-		85,098
United States Department of Education					
Passed Through the State of Connecticut Department of Education:					
Special Education Cluster (IDEA):					
Special Education - Grants to States	84.027	12060-SDE64370-20977-2024	-	228,154	
Special Education - Grants to States	84.027	12060-SDE64370-20977-2023	-	318,314	
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2024	-	8,273	
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2023	-	6,552	
					561,293
COVID-19 Education Stabilization Fund:					
COVID-19 ARP Special Education Grants	84.425u	12060-SDE64370-23083-2022	-	3,526	
COVID-19 American Rescue Plan - Emergency Grants	84.425u	12060-SDE64370-29636-2022	-	1,309,564	
COVID-19 ESSER II Bonus Spec Populations Recovery Grnt	84.425d	12060-SDE64370-29571-2024	-	18,023	
COVID-19 ESSERF K-12 Fund	84.425d	12060-SDE64370-29571-2022	-	53,143	
COVID-19 Elementary & Secondary School	84425w	12060-SDE64370-29650-2022	-	3,992	
COVID-19 Preschool Grants (ARPA)	84.425d	12060-SDE64370-29684-2023	-	740	
					1,388,988
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2024	-	282,676	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023	-	57,476	
					340,152
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2024	-		31,370
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2024	-	37,101	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2023	-	13,156	
					50,257
Title IV - Student Support	84.424	12060-SDE64370-22854-2024	-	3	
Title IV - Student Support	84.424	12060-SDE64370-22854-2023	-	5,426	
					5,429
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2024	-	9,108	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2023	-	4,970	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2022			
					14,078
Total United States Department of Education			-		2,391,567

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	
United States Department of Homeland Security					
Passed Through the State of Connecticut Department of Emergency Services and Public Protection:					
Emergency Management Performance Grants	97.042	12060-DPS32981-22233	$ -		$ 5,000
Total United States Department of Homeland Security			-		5,000
United States Department of the Treasury					
Passed Through the State of Connecticut Department of Education:					
COVID 19 ARPA Local Fiscal Recovery EXP	21.027	12060-OPM20600-29669	-	$ 1,242,002	
COVID 19 ARPA-School Mental Health Worker	21.027	12060-SDE64370-28095	-	63,489	
COVID 19 ARPA-Free Meals for Students	21.027	12060-SDE64370-28105	-	188,810	
Passed Through the State of Connecticut Economic and Community Development:					
COVID 19 ARPA-Montville Parks Tennis	21.027	12060-ECD46820-28052		242,963	
			-		1,737,264
Total United States Department of the Treasury			-		1,737,264
United States Environmental Protection Agency					
Passed Through the State of Connecticut Department of Public Health:					
Capitalization Grants for Drinking Water State Revolving Funds	66.468	12060-DPH48770-23155	-	677,240	
Capitalization Grants for Drinking Water State Revolving Funds	66.468	21018-DPH48770-43805	-	117,177	
			-		794,417
Total United States Environmental Protection Agency			-		794,417
Total Expenditures of Federal Awards			$ -		$ 5,840,638

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Montville, Connecticut, under programs of the federal government for the year ended June 30, 2024. 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 of Montville, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of Montville, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RECOVERY

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

NOTE 3 NONCASH AWARDS

Donated commodities in the amount of $60,296 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.

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*

Town Council
Town of Montville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montville, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Montville, Connecticut's basic financial statements, and have issued our report thereon dated October 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Montville, Connecticut'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 Town of Montville, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Montville, Connecticut'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.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Montville, Connecticut'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 of Montville, Connecticut's Response to Findings

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cranston, Rhode Island
October 30, 2025

TOWN OF MONTVILLE, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? __x__ yes ____ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported
3. Noncompliance material to financial statements noted? ____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes ____ none reported
2. Type of auditors' report issued on compliance for federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes ____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID 19 ARPA Local Fiscal Recovery EXP
66.468	Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee? ____ yes __x__ no

Section II – Financial Statement Findings

2024-001

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition
The Town does not have adequate controls in place to ensure that all liabilities that are invoiced after year-end are being accrued in the proper period.

There were instances of invoices received after year-end that were not recognized in the correct period in accordance with accounting principles generally accepted in the United States of America (GAAP). This resulted in the understatement of expenditures and accounts payable/accrued expenses totaling $827,184.

Criteria or Specific Requirement
Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with GAAP.

Effect
The identified error required an adjusting journal entry be made to the School Construction Fund and Water Fund.

Cause
Internal controls were not in place to ensure invoices received after year-end were properly recorded in the proper fiscal year in accordance with GAAP.

Repeat Finding
The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2023-001.

Recommendation
We recommend management evaluate the current financial reporting processes and controls to ensure that controls are in place to present the external financial statements in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions
There is no disagreement with the audit finding.

Section II – Financial Statement Findings (Continued)

2024-002

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition
The Town did not consistently complete monthly bank reconciliations in a timely manner so discrepancies between the bank and accounting records were not promptly investigated or resolved. As a result, there were instances where capital outlay expenditures were not recorded. This resulted in the understatement of expenditures of $581,425 in the Road Bonding Fund.

Criteria or specific requirement
Effective internal controls require that bank reconciliations be completed monthly and within a reasonable time frame to ensure accurate financial reporting and timely detection of errors or irregularities.

Effect
Untimely reconciliations increase the risk of undetected errors, misstatements, or fraud. The identified error required an adjusting journal entry to the Road Bonding Fund.

Cause
Internal controls were not in place to ensure bank reconciliations were being completed in a timely manner.

Repeat Finding
No

Recommendation
We recommend management evaluate the current financial reporting processes and controls to ensure that controls are in place to present the external financial statements in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions
There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs

2024 – 003

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID 19 ARPA Local Fiscal Recovery EXP

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: Various

Pass-Through Agency: State of Connecticut Department of Education

Pass-Through Number(s): 12060-OPM20600-29669

Award Period: March 3, 2021 – December 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (UG) requires allowable costs to be adequately documented and records be retained for a minimum of three years from the date of submission of the final expenditure report.

Condition: The Town does not have adequate controls in place to ensure supporting documentation is retained for expenditures that are charged to the grant.

Questioned costs: None

Context: During our testing, it was noted that the Town could not provide documentation to support that one invoice totaling $10,975 charged to the grant was reviewed and approved as an allowable cost to the grant.

Cause: The Town did not retain documentation that the expenditure was an approved cost of the grant.

Effect: We noted no instances of noncompliance with the provisions of allowable costs, however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

Repeat Finding: No

Recommendation: We recommend the Town design controls to ensure all documentation is retained in accordance with the UG record retention requirements under 2 CFR 200.334.

Views of responsible officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2024 – 004

Federal Agency: U.S. Environmental Protection Agency

Federal Program Name: Capitalization Grants for Clean Water State Revolving Funds

Assistance Listing Number: 66.468

Federal Award Identification Number and Year: 2024-7125

Pass-Through Agency: State of Connecticut Department of Public Health

Pass-Through Number(s): 12060-DPH48770-23155, 21018-DPH48770-43805

Award Period: August 29, 2023-April 30, 2025

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID 19 ARPA Local Fiscal Recovery EXP

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: Various

Pass-Through Agency: State of Connecticut Department of Education

Pass-Through Number(s): 12060-OPM20600-29669

Award Period: March 3, 2021-December 31, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance

Criteria or specific requirement: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (UG) requires compliance with the provisions of procurement, suspension, and debarment.

Condition: During our testing, we noted the Town did not have adequate internal controls designed to ensure vendors were not suspended or debarred for seven out of seven tested.

Questioned costs: None

Context: During our testing, it was noted that the Town was not reviewing vendors prior to entering into a contract with a vendor to ensure the vendor was not on the suspended or debarred vendor list maintained by the General Services Administration.

Cause: The Town did not retain documentation of their review that the vendors were not suspended or debarred.

Effect: We noted no instances of noncompliance with the provisions of procurement, suspension, and debarment; however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2024 – 004 (Continued)

Repeat Finding: No

Recommendation: We recommend the Town design controls to ensure an adequate review process is in place to review potential contractors to determine they are not suspended or debarred in accordance with 2 CFR section 200.213.

Views of responsible officials: There is no disagreement with the audit finding.