TOWN OF MONTVILLE, CONNECTICUT

STATE 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 State Program

Opinion on Each Major State Program

We have audited the Town of Montville, Connecticut's 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 of Montville, Connecticut's major state programs for the year ended June 30, 2024. The Town of Montville, Connecticut'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 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 state programs for the year ended June 30, 2024.

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 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 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 state 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 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 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 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 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 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 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 State Single Audit Act, 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.

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that 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, 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 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 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 state financial assistance 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 STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
Talent Development	11000-SDE64370-12552	$ -	$ 4,288
Child Nutrition State Match	11000-SDE64370-16211	-	9,384
Health Foods Initiative	11000-SDE64370-16212	-	17,679
Adult Education	11000-SDE64370-17030	-	37,598
Hlth & Welfare-Priv Schl Pupil	11000-SDE64370-17034	-	22,198
School Breakfast Program	11000-SDE64370-17046	-	13,261
Total Department of Education		-	104,408
Connecticut State Library			
Historic Document Preservation	12060-CSL66094-35150	-	6,000
Total Connecticut State Library		-	6,000
Department of Children and Families			
Community Based Prevent Program	11000-DCF91185-16092	-	5,557
Youth Service Bureaus	11000-DCF91185-17052	-	17,452
Youth Service Bureau Enhancement	11000-DCF91185-17107	-	10,755
Total Department of Children and Families		-	33,764
Department of Energy and Environmental Protection			
Montville Sewage Treatment	12052-DEP43720-43175	-	44,860
Total Department of Energy and Environmental Protection		-	44,860
Department of Transportation			
Town Aid Road Grants	12001-DOT57131-17036		263,086
Bus Operations	12001-DOT57931-12175		101,192
Capitol Resurfacing-Related Improvements	13033-DOT57261-41386	-	64,300
Total Department of Transportation		-	428,578
Department of Emergency Services and Public Protection			
Volunteer Firefighter Training	11000-DPS32251-17110	-	10,489
School Security Infrastructure	12052-DPS32160-43546		179,093
Nuclear Emergency Safety Fund	12060-DPS32982-90428	-	49,704
Total Department of Emergency Services and Public Protection		-	239,286
Economic and Community Development			
Smll Twn Econ Assstnc Prg Grnt	12052-ECD46200-40530	-	65,191
Brownfield Remediation & Dev	12060-ECD46260-35533	-	32,904
Total Economic and Community Development		-	98,095
Office of Policy and Management			
Reimbrs Property Tax-Disabilty Exemption	11000-OPM20600-17011	-	2,934
Prop Tax Relief For Veterans	11000-OPM20600-17024	-	8,553
Tiered PILOT	12002-OPM20600-17111	-	2,133,345
Municipal Purposes and Projects	12052-OPM20600-43587	-	746,266
Total Office of Policy and Management		-	2,891,098

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

TOWN OF MONTVILLE, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2024

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of the Secretary of State			
Early Voting	11000-SOS12500-12651	$ -	$ 10,500
Total Office of the Secretary of State		-	10,500
Department of Social Services			
Medicaid	11000-DSS60000-16020	-	67,549
Total Department of Social Services		-	67,549
Total State Financial Assistance Before Exempt Programs		-	3,924,138
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010		12,873,712
Excess Cost - Student Based	11000-SDE64370-17047	-	739,592
Total Department of Education		-	13,613,304
Office of Policy and Management			
Supplemental Revenue Sharing	12002-OPM20600-17102	-	20,897
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045	-	1,446,162
Municipal Revenue Sharing	12060-OPM20600-35458	-	464,990
Total Office of Policy and Management		-	1,932,049
Total Exempt Programs		-	15,545,353
Total State Financial Assistance		$ -	$ 19,469,491

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Montville, Connecticut, under programs of the state of Connecticut for the year ended June 30, 2024. 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. 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

The accounting policies of the Town of Montville, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented 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.

NOTE 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, 2024:

Department of Energy and Environmental Protection

Clean Water Funds:

Issue Date	Interest Rate	Original Amount	Beginning Balance	Retired	Outstanding Balance
1/30/15	2.00%	$ 245,631	$ 146,744	$ 11,947	$ 134,797

Drinking Water Funds:

Issue Date	Interest Rate	Original Amount	Beginning Balance	Retired	Outstanding Balance
*	*	*	*	*	$ 117,177

*Note not permanently financed as of June 30, 2024

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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*

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.

Town Council
Town of Montville, Connecticut

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

State Financial Assistance

1. Internal control over major programs:
   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported
2. Type of auditors' report issued on compliance for major programs: Unmodified
3. 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 __x__ no

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

State Grantor and Program	State Core-CT Number		Expenditures
Office of Policy and Management:			
Tiered PILOT	12002-OPM20600-17111	$	2,133,345
Department of Transportation:			
Town Aid Road Grants	12001-DOT57131-17036		316,949

Dollar threshold used to distinguish between Type A and Type B programs: $ 200,000

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
Management agrees with this 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
Management agrees with this finding.

Section III – Findings and Questioned Costs – State Financial Assistance

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.