

**Federal Single Audit
and
State Single Audit
of the
Town of Griswold, Connecticut
For the Year Ended June 30, 2025**

Town of Griswold, Connecticut
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2

Federal Single Audit

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6-7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9-14
Summary Schedule of Prior Year Audit Findings	15

State Single Audit

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	16-18
Schedule of Expenditures of State Financial Assistance	19
Notes to Schedule of Expenditures of State Financial Assistance	20
Schedule of Findings and Questioned Costs	21-26
Summary Schedule of Prior Year Audit Findings	27



**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***

Independent Auditors' Report

**Board of Finance
Town of Griswold, 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 Griswold, Connecticut ("Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 29, 2026.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-003 and 2025-004 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 response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of 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 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
May 29, 2026

Federal Single Audit

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

**Board of Finance
Town of Griswold, Connecticut**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Griswold, Connecticut's ("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, 2025. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the 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, 2025.

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 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the 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 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'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 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 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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated May 29, 2026, which contained unmodified opinions on those financial statements.

Our audit was performed 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
May 29, 2026

Town of Griswold, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u> Local Food for Schools Cooperative Agreement Program	10.185	State Department of Education	12060-SDE64370-23292	\$ -	\$ 3,940
Child Nutrition Cluster: School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	-	\$ 185,053
National School Lunch Program	10.555	State Department of Education	12060-SDE64370-20560	-	548,409
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	43,891
Fresh Fruit and Vegetable Program - Commodities	10.582	State Department of Education	N/A	-	29,997
Total Child Nutrition Cluster					807,350
Total U.S. Department of Agriculture					811,290
<u>U.S. Department of Housing and Urban Development</u> Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	State Department of Housing	12060-DOH46930-20730	-	1,334,151
<u>U.S. Department of the Treasury</u> Coronavirus State and Local Fiscal Recovery Funds		Direct	N/A	-	666,695
Coronavirus State and Local Fiscal Recovery Funds - Early Voting		Secretary of the State	12060-SOS12500-28478	-	3,209
Coronavirus State and Local Fiscal Recovery Funds - SMART - Free Meals		State Department of Education	12060-SDE64370-28105	-	6,646
Coronavirus State and Local Fiscal Recovery Funds - ParaEducational PD		State Department of Education	12060-SDE64370-28098	-	6,000
Coronavirus State and Local Fiscal Recovery Funds - ARPA - Right to Read		State Department of Education	12060-SDE64370-29732	-	74,000
Coronavirus State and Local Fiscal Recovery Funds - ARPA - FAFSA Completion		State Department of Education	12060-SDE64370-28092	-	2,819
Coronavirus State and Local Fiscal Recovery Funds - ARPA - Senior Centers		State Department of Aging and Disability Services	12060-SDR63901-28009	-	29,586
Coronavirus State and Local Fiscal Recovery Funds - ARPA - School Readiness Enrollment Grant		State Office of Early Childhood	12060-OEC64845-28227	-	26,354
Total Coronavirus State and Local Fiscal Recovery Funds	21.027				815,309
<u>U.S. Department of Education</u> Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2024	-	166,982
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2025	-	205,237
Total Title I Grants to Local Educational Agencies	84.010				372,219
Special Education Cluster (IDEA): Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2024	-	276,015
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2025	-	66,720
Special Education - Grants to States (IDEA, Part B) - TSA		State Department of Education	12060-SDE64370-20977-2024	-	10,000
Special Education - Grants to States (IDEA, Part B) - ESP		State Department of Education	12060-SDE64370-20977-2024	-	5,000
Total Special Education Cluster (IDEA)	84.027				357,735
Career and Technical Education - Basic Grants to States	84.048	State Department of Education	12060-SDE64370-20742-2025	-	29,182

(Continued)

Town of Griswold, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
U.S. Department of Education (Continued)					
English Language Acquisition State Grants (Title III, Part A)	84.365	Eastconn	12060-SDE64370-20868-2025	\$ -	\$ 3,234
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2024	-	\$ 44,517
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2025	-	4,980
Total Supporting Effective Instruction State Grant	84.367				49,497
Student Support and Academic Enrichment Program (Title IV)	84.424	State Department of Education	12060-SDE64370-22854-2024	-	24,458
Education Stabilization Fund (ESF)					
COVID-19 American Rescue Plan Elementary and Secondary School	U	State Department of Education	12060-SDE64370-29636-84131	-	1,713
Emergency Relief Fund - Dual Credit Expansion					
COVID-19 American Rescue Plan Elementary and Secondary School	U	State Department of Education	12060-SDE64370-29636-82079	-	287,909
Emergency Relief Fund					
COVID-19 American Rescue Plan Elementary and Secondary School	U	State Department of Education	12060-SDE64370-29636-84113	-	208,787
Behavioral Health - Pilot					
Total Education Stabilization Fund (ESF)	84.425				498,409
Total U.S. Department of Education					1,334,734
U.S. Election Assistance Commission					
Help America Vote College Program	90.400	Secretary of the State	12060-SOS12500-23289	-	125
U.S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	State Department of Emergency Services and Public Protection	12060-DPS32981-22233	-	5,000
Total Federal Awards				\$ -	\$ 4,300,609
N/A - Not applicable or not available					(Concluded)

Town of Griswold, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

1. Basis of presentation

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

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

2. Summary of significant accounting policies

- A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash federal awards

The Town received and expended \$43,891 of USDA donated commodities under the National School Lunch Program and \$29,997 under the Fresh Fruit and Vegetable Program.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u>	yes	<u> </u> no none
Significant deficiency(ies) identified?	<u> X </u>	yes	<u> </u> reported
Noncompliance material to financial statements noted?	<u> </u>	yes	<u> X </u> no

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	yes	<u> X </u> no none
Significant deficiency(ies) identified?	<u> </u>	yes	<u> X </u> reported
Type of auditors' report issued on compliance for major programs:	<u>Unmodified opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u> </u>	yes	<u> X </u> no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

II. Findings – Financial Statement Audit

Finding 2025-001 Accounts Payable Year-End Close Process (Material Weakness) - 2025

Criteria

Government Auditing Standards require financial records and reporting to be accurate, complete, and supported by effective internal controls over financial reporting.

Additionally, under generally accepted accounting principles (GAAP), liabilities and expenditures should be recorded in the proper accounting period when incurred, and grant revenues should be recognized in accordance with the underlying grant requirements and applicable accounting standards.

Condition

As part of the financial statement audit, procedures were performed over year-end accounts payable and unrecorded liabilities. Audit testing identified material liabilities and related revenues that had not been recorded in the Town's accounting records as of year-end, resulting in material audit adjustments to the financial statements.

Context

During audit testing, material audit adjustments were identified and proposed to properly record liabilities, expenditures, and related grant revenue associated with construction activity funded through the American Rescue Plan Act (ARPA) Fund and Capital Project Fund. Specifically, the following adjustments were required:

- A material adjustment was recorded to recognize accounts payable and related expenditures in the ARPA Fund for construction-related costs, as well as the associated grant revenue.
- Additional audit adjustments were required to record retainage payable balances in the ARPA and Capital Project Funds.

These liabilities and related activities were not properly recorded in the financial records prior to the audit adjustments.

Effect

As a result of these deficiencies material audit adjustments were required to present the financial statements in accordance with GAAP. Untimely or inaccurate financial reporting increases the risk of misstated financial information and reduces the reliability of financial reporting for management and external stakeholders.

Cause

The cause is a lack of adequate resources and turnover in management leading to deficiencies in the year-end closing and financial reporting process.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Recommendation

We recommend management strengthen internal controls over year-end financial reporting and closing procedures to ensure:

- Construction-related liabilities and retainage balances are identified and recorded timely
- Grant revenue is recognized in the appropriate period
- Reconciliations of construction expenditures, payables, and retainage obligations are performed and reviewed prior to year-end close

Management should also consider implementing a formal year-end checklist and review process specific to capital projects and grant-funded construction activity to reduce the likelihood of future material adjustments.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The change in the Finance Director position in July with a new hire in October caused a great delay in the current audit and lack of adequate resources to complete annual reconciliations. The Finance Department will implement a year-end close process which will be monitored by the Finance Director.

Finding 2025-002 Capital Asset Additions and Disposals Process (Material Weakness) - 2025

Criteria

Sound internal control practices and generally accepted accounting principles require management to maintain complete and accurate capital asset records. Capital asset processes should include procedures to identify, review, and record all qualifying additions and disposals, including grouped purchases that collectively exceed capitalization thresholds.

Condition

During audit testing of capital assets, we identified multiple significant capital asset additions that were not included in the capital asset records timely or accurately. This included a material amount related to the Small Cities project that was omitted from the initial listing. In addition, management did not consistently evaluate grouped asset purchases, such as Board of Education computer acquisitions, to determine whether the aggregate purchase exceeded the capitalization threshold and should have been capitalized. As a result of the audit procedures, multiple revisions were required to the capital asset schedules to prevent material misstatement of the financial statements. Additionally, the capital asset listing was not adequately reviewed for disposals to ensure retired or disposed assets were removed from the records.

Context

Audit testing identified material capital assets that had not been recorded in the Town's capital asset records. Additionally, no capital asset disposals were recorded in the current year.

Effect

Failure to properly identify and record capital asset additions and disposals increases the risk that capital assets and related depreciation expense may be materially misstated in the financial statements. Significant audit adjustments and revisions were necessary to correct the records during the audit process.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Cause

The cause is a lack of adequate resources and turnover in management leading to insufficient review procedures in place to ensure all qualifying capital asset additions and disposals were identified, evaluated, and recorded accurately within the capital asset records.

Recommendation

We recommend management strengthen internal controls over capital asset accounting by:

- Implementing a formal review process to identify and record all significant capital asset additions and disposals timely
- Establishing procedures to evaluate grouped asset purchases collectively against capitalization thresholds
- Performing periodic reconciliations between capital project expenditures, purchasing records, and the capital asset listing
- Conducting periodic reviews of the capital asset listing to ensure disposed or retired assets are removed appropriately

Views of responsible officials and planned corrective actions

Management agrees with the finding. The change in the Finance Director position in July with a new hire in October caused a great delay in the current audit and lack of adequate resources to complete the capital asset additions. The Finance Department will implement a year-end close process which will be monitored by the Finance Director.

Finding 2025-003 Timely Financial Reporting (Significant Deficiency) - 2022

Criteria

Sound internal control and financial reporting practices require that accounts be reconciled timely and accurately to ensure financial activity is complete, properly recorded, and supported by underlying records. Management is responsible for maintaining accurate accounting records and ensuring timely reconciliation of subsidiary ledgers to the general ledger and bank activity.

Condition

There were delays in obtaining a complete and accurate reconciliation of revenues and expenditures reported by the Board of Education (BOE) Fiscal & Personnel Services Office to the banking activity reported by the Town Finance Department. Upon completion of the reconciliations, material adjustments were required to the BOE Miscellaneous Grants Fund and Special Education Grant Fund revenues, expenditures, receivables, and unearned revenue balances as well as related significant adjustments to General Fund education expenditures.

Context

Progress has been made in reconciling the Education Grants Funds, however further progress is needed to complete the reconciliations in a timely manner.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Effect

Untimely reconciliations increased the risk that financial information used for management decisions and external reporting was inaccurate or incomplete. The delays resulted in material audit adjustments to multiple BOE funds and prolonged the audit process. Inaccurate or delayed reconciliations may also impair management's ability to monitor grant activity, ensure compliance with funding requirements, and detect and correct errors or irregularities in a timely manner.

Cause

The cause is a lack of adequate resources and turnover in management.

Recommendation

While progress has been made, the BOE should strengthen its reconciliation and financial close procedures to ensure all funds and accounts are reconciled timely and accurately to Town financial records and banking activity. Management should establish formal reconciliation timelines, enhance supervisory review controls, and ensure all grant-related activity is reviewed and resolved prior to year-end reporting and audit fieldwork.

Views of responsible officials and planned corrective actions

Management agrees with this finding. Management turnover in the Town Finance Office and BOE Fiscal & Personnel Services office has made it difficult to perform routine reconciliations in a timely manner. However, the auditor's recommendation is appropriate, and the BOE Fiscal & Personnel Services Office will develop a reconciliation process to be followed monthly to eliminate this comment in future audits. The implementation of this recommendation will be monitored by the Director of Fiscal & Personnel Services.

Finding 2025-004 Financial Reporting of Scholarship and Student Activity Funds (Significant Deficiency) - 2022

Criteria

Effective internal control over financial reporting requires that accounting records be maintained in sufficient detail to accurately capture and report all financial activity and that reconciliations be prepared and reviewed on a timely basis.

Condition

In the financial statements, the GHS Scholarship Fund is reported with the Scholarship Funds, while the accounting records are maintained within the Student Activity Fund records. During the audit, it was noted that the accounting records for the GHS Scholarship Fund and Student Activity Funds did not provide complete revenue and expenditure activity necessary to support financial reporting as the activity was net within liability accounts for the individual activities. In addition, reconciliations related to these funds were not completed and provided timely, resulting in delays during the audit process.

Context

Progress has been made in reconciling the Scholarship and Student Activity Funds, however further progress is needed to complete the reconciliations in a timely manner.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Effect

Incomplete accounting records and untimely reconciliations increased the risk of inaccurate financial reporting and delayed the completion of audit procedures. The lack of detailed activity records also limited management's ability to effectively ensure transactions were properly recorded and identify errors or discrepancies in a timely manner.

Cause

The cause is a lack of adequate resources and turnover in management.

Recommendation

We recommend that the GHS Scholarship Fund be segregated from the Student Activity Funds in the accounting records. We also recommend that revenue and expenditure accounts be tracked separately throughout the year for both scholarship and activity funds. In addition, reconciliations should be completed timely, formally reviewed by supervisory personnel, and maintained in a manner that supports accurate financial reporting and timely audit completion.

Views of responsible officials and planned corrective actions

Management agrees with this finding. Management turnover has made it difficult to perform routine reconciliations in a timely manner. However, the auditor's recommendation is appropriate, and the BOE Fiscal & Personnel Services Office will improve scholarship and activity fund recordkeeping and develop a reconciliation process to be followed monthly to eliminate this comment in future audits. The implementation of this recommendation will be monitored by the Director of Fiscal & Personnel Services.

III. Findings – Major Federal Award Programs Audit

None

Town of Griswold, Connecticut

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025**

Finding 2024-001 Internal Control Over Financial Reporting (Significant Deficiency) – 2022

Condition

There were delays in obtaining an accurate reconciliation of expenditures and revenues reported by the Board of Education Fiscal & Personnel Services Office to the banking activity reported by the Town Director of Finance.

Current status

This finding has been repeated as 2025-003.

Finding 2024-002 Internal Control Over Financial Reporting of Scholarship and Student Activity Funds (Significant Deficiency) – 2022

Condition

Bank reconciliations for the Student Activity, GHS, and Brunet Scholarship Funds have old unresolved reconciling items.

The GHS Scholarship Fund is reported with the Scholarship Funds. Accounting records for the GHS Scholarship Fund and the Student Activity Funds do not provide revenue and expenditure activity.

The Farnsworth and GHS Scholarship Funds, and the Student Activity Fund have unresolved interfund balances.

Current status

This finding has been partially corrected and a portion is repeated as 2025-004.

Finding 2024-003 Internal Control Over Bank Accounts (Significant Deficiency) – 2024

Condition

The Board of Education accounts payable bank account was compromised through fraudulent activity during the year, but the account continues to process the Board of Education direct payroll deposits and receive Care4Kids funding direct deposits from the State.

Current status

This finding has been corrected.

State Single Audit

**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

**Board of Finance
Town of Griswold, Connecticut**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Griswold, Connecticut's ("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, 2025. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the 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, 2025.

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 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit 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 GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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.

**Board of Finance
Town of Griswold, Connecticut**

Page 3

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 the 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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated May 29, 2026, which contained unmodified opinions on those financial statements.

Our audit was performed 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
May 29, 2026

Town of Griswold, Connecticut
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2025

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Total Expenditures
<u>Connecticut State Library:</u>			
Historical Document Preservation Grant	12060-CSL66094-35150	\$ -	\$ 5,500
<u>Department of Children and Families:</u>			
Community Based Prevention Program	11000-DCF91185-16092	-	3,451
Youth Services Bureau	11000-DCF91185-17052	-	14,103
Youth Services Bureau Enhancement	11000-DCF91185-17107	-	8,604
<u>Department of Education:</u>			
Talent Development	11000-SDE64370-12552	-	3,452
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	8,281
Healthy Foods Initiative	11000-SDE64370-16212	-	15,827
Adult Education	11000-SDE64370-17030	-	29,386
School Breakfast	11000-SDE64370-17046	-	11,157
<u>Department of Emergency Services and Public Protection:</u>			
Volunteer Firefighting Training	11000-DPS32251-17110	-	3,491
<u>Department of Transportation:</u>			
Town Aid Road Grants	12001-DOT57131-17036	-	333,000
<u>Judicial Branch:</u>			
Judicial Fines and Fees	34001-JUD95162-40001	-	2,515
<u>Office of Early Childhood:</u>			
Child Care Quality Enhancement	11000-OEC64845-16158	-	3,881
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274	336,000	494,550
School Readiness in Competitive Grant Municipalities - COLA	11000-OEC64845-16274	-	24,939
School Readiness in Competitive Grant Municipalities - Enrollment	11000-OEC64845-16274	-	211
School Readiness in Competitive Grant Municipalities - Private Provider	11000-OEC64845-16274	-	7,282
<u>Office of Policy and Management:</u>			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,049
Property Tax Relief for Veterans	11000-OPM20600-17024	-	5,096
Tiered Payment in Lieu of Taxes (PILOT)	12002-OPM20600-17111	-	51,141
Local Capital Improvement Program	12050-OPM20600-40254	-	134,550
Municipal Grants-In Aid	12052-OPM20600-43587	-	31,895
Total State Financial Assistance before Exempt Programs		336,000	1,193,361
<u>Exempt Programs:</u>			
<u>Department of Education:</u>			
Education Cost Sharing (ECS)	11000-SDE64370-17041	-	11,058,380
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	952,614
Excess Costs Student Based and Equity Supplemental	12060-SDE64370-34822	-	210,595
<u>Office of Policy and Management:</u>			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	55,478
Total Exempt Programs		-	12,277,067
Total State Financial Assistance		\$ 336,000	\$ 13,470,428

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Griswold, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2025

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Griswold, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, public safety, public works, human services, civic and cultural and education.

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

2. Summary of significant accounting policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no none reported
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

State Financial Assistance

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no none reported
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> reported

Type of auditors' report issued on compliance for major programs:	<u>Unmodified opinion</u>
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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?	<u> </u> yes	<u> X </u> no
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The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of Early Childhood:		
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274	\$ 526,982
Department of Transportation:		
Town Aid Road Grants	12001-DOT57131-17036	333,000

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 300,000</u>
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Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

II. Findings – Financial Statement Audit

Finding 2025-001 Accounts Payable Year-End Close Process (Material Weakness) - 2025

Criteria

Government Auditing Standards require financial records and reporting to be accurate, complete, and supported by effective internal controls over financial reporting.

Additionally, under generally accepted accounting principles (GAAP), liabilities and expenditures should be recorded in the proper accounting period when incurred, and grant revenues should be recognized in accordance with the underlying grant requirements and applicable accounting standards.

Condition

As part of the financial statement audit, procedures were performed over year-end accounts payable and unrecorded liabilities. Audit testing identified material liabilities and related revenues that had not been recorded in the Town's accounting records as of year-end, resulting in material audit adjustments to the financial statements.

Context

During audit testing, material audit adjustments were identified and proposed to properly record liabilities, expenditures, and related grant revenue associated with construction activity funded through the American Rescue Plan Act (ARPA) Fund and Capital Project Fund. Specifically, the following adjustments were required:

- A material adjustment was recorded to recognize accounts payable and related expenditures in the ARPA Fund for construction-related costs, as well as the associated grant revenue.
- Additional audit adjustments were required to record retainage payable balances in the ARPA and Capital Project Funds.

These liabilities and related activities were not properly recorded in the financial records prior to the audit adjustments.

Effect

As a result of these deficiencies material audit adjustments were required to present the financial statements in accordance with GAAP. Untimely or inaccurate financial reporting increases the risk of misstated financial information and reduces the reliability of financial reporting for management and external stakeholders.

Cause

The cause is a lack of adequate resources and turnover in management leading to deficiencies in the year-end closing and financial reporting process.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Recommendation

We recommend management strengthen internal controls over year-end financial reporting and closing procedures to ensure:

- Construction-related liabilities and retainage balances are identified and recorded timely
- Grant revenue is recognized in the appropriate period
- Reconciliations of construction expenditures, payables, and retainage obligations are performed and reviewed prior to year-end close

Management should also consider implementing a formal year-end checklist and review process specific to capital projects and grant-funded construction activity to reduce the likelihood of future material adjustments.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The change in the Finance Director position in July with a new hire in October caused a great delay in the current audit and lack of adequate resources to complete annual reconciliations. The Finance Department will implement a year-end close process which will be monitored by the Finance Director.

Finding 2025-002 Capital Asset Additions and Disposals Process (Material Weakness) - 2025

Criteria

Sound internal control practices and generally accepted accounting principles require management to maintain complete and accurate capital asset records. Capital asset processes should include procedures to identify, review, and record all qualifying additions and disposals, including grouped purchases that collectively exceed capitalization thresholds.

Condition

During audit testing of capital assets, we identified multiple significant capital asset additions that were not included in the capital asset records timely or accurately. This included a material amount related to the Small Cities project that was omitted from the initial listing. In addition, management did not consistently evaluate grouped asset purchases, such as Board of Education computer acquisitions, to determine whether the aggregate purchase exceeded the capitalization threshold and should have been capitalized. As a result of the audit procedures, multiple revisions were required to the capital asset schedules to prevent material misstatement of the financial statements. Additionally, the capital asset listing was not adequately reviewed for disposals to ensure retired or disposed assets were removed from the records.

Context

Audit testing identified material capital assets that had not been recorded in the Town's capital asset records. Additionally, no capital asset disposals were recorded in the current year.

Effect

Failure to properly identify and record capital asset additions and disposals increases the risk that capital assets and related depreciation expense may be materially misstated in the financial statements. Significant audit adjustments and revisions were necessary to correct the records during the audit process.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Cause

The cause is a lack of adequate resources and turnover in management leading to insufficient review procedures in place to ensure all qualifying capital asset additions and disposals were identified, evaluated, and recorded accurately within the capital asset records.

Recommendation

We recommend management strengthen internal controls over capital asset accounting by:

- Implementing a formal review process to identify and record all significant capital asset additions and disposals timely
- Establishing procedures to evaluate grouped asset purchases collectively against capitalization thresholds
- Performing periodic reconciliations between capital project expenditures, purchasing records, and the capital asset listing
- Conducting periodic reviews of the capital asset listing to ensure disposed or retired assets are removed appropriately

Views of responsible officials and planned corrective actions

Management agrees with the finding. The change in the Finance Director position in July with a new hire in October caused a great delay in the current audit and lack of adequate resources to complete the capital asset additions. The Finance Department will implement a year-end close process which will be monitored by the Finance Director.

Finding 2025-003 Timely Financial Reporting (Significant Deficiency) - 2022

Criteria

Sound internal control and financial reporting practices require that accounts be reconciled timely and accurately to ensure financial activity is complete, properly recorded, and supported by underlying records. Management is responsible for maintaining accurate accounting records and ensuring timely reconciliation of subsidiary ledgers to the general ledger and bank activity.

Condition

There were delays in obtaining a complete and accurate reconciliation of revenues and expenditures reported by the Board of Education (BOE) Fiscal & Personnel Services Office to the banking activity reported by the Town Finance Department. Upon completion of the reconciliations, material adjustments were required to the BOE Miscellaneous Grants Fund and Special Education Grant Fund revenues, expenditures, receivables, and unearned revenue balances as well as related significant adjustments to General Fund education expenditures.

Context

Progress has been made in reconciling the Education Grants Funds, however further progress is needed to complete the reconciliations in a timely manner.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Effect

Untimely reconciliations increased the risk that financial information used for management decisions and external reporting was inaccurate or incomplete. The delays resulted in material audit adjustments to multiple BOE funds and prolonged the audit process. Inaccurate or delayed reconciliations may also impair management's ability to monitor grant activity, ensure compliance with funding requirements, and detect and correct errors or irregularities in a timely manner.

Cause

The cause is lack of adequate resources and turnover in management.

Recommendation

While progress has been made, the BOE should strengthen its reconciliation and financial close procedures to ensure all funds and accounts are reconciled timely and accurately to Town financial records and banking activity. Management should establish formal reconciliation timelines, enhance supervisory review controls, and ensure all grant-related activity is reviewed and resolved prior to year-end reporting and audit fieldwork.

Views of responsible officials and planned corrective actions

Management agrees with this finding. Management turnover in the Town Finance Office and BOE Fiscal & Personnel Services office has made it difficult to perform routine reconciliations in a timely manner. However, the auditor's recommendation is appropriate, and the BOE Fiscal & Personnel Services Office will develop a reconciliation process to be followed monthly to eliminate this comment in future audits. The implementation of this recommendation will be monitored by the Director of Fiscal & Personnel Services.

Finding 2025-004 Financial Reporting of Scholarship and Student Activity Funds (Significant Deficiency) - 2022

Criteria

Effective internal control over financial reporting requires that accounting records be maintained in sufficient detail to accurately capture and report all financial activity and that reconciliations be prepared and reviewed on a timely basis.

Condition

In the financial statements, the GHS Scholarship Fund is reported with the Scholarship Funds, while the accounting records are maintained within the Student Activity Fund records. During the audit, it was noted that the accounting records for the GHS Scholarship Fund and Student Activity Funds did not provide complete revenue and expenditure activity necessary to support financial reporting as the activity was net within liability accounts for the individual activities. In addition, reconciliations related to these funds were not completed and provided timely, resulting in delays during the audit process.

Context

Progress has been made in reconciling the Scholarship and Student Activity Funds, however further progress is needed to complete the reconciliations in a timely manner.

Town of Griswold, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Effect

Incomplete accounting records and untimely reconciliations increased the risk of inaccurate financial reporting and delayed the completion of audit procedures. The lack of detailed activity records also limited management's ability to effectively ensure transactions were properly recorded and identify errors or discrepancies in a timely manner.

Cause

The cause is lack of adequate resources and turnover in management.

Recommendation

We recommend that the GHS Scholarship Fund be segregated from the Student Activity Funds in the accounting records. We also recommend that revenue and expenditure accounts be tracked separately throughout the year for both scholarship and activity funds. In addition, reconciliations should be completed timely, formally reviewed by supervisory personnel, and maintained in a manner that supports accurate financial reporting and timely audit completion.

Views of responsible officials and planned corrective actions

Management agrees with this finding. Management turnover has made it difficult to perform routine reconciliations in a timely manner. However, the auditor's recommendation is appropriate, and the BOE Fiscal & Personnel Services Office will improve scholarship and activity fund recordkeeping and develop a reconciliation process to be followed monthly to eliminate this comment in future audits. The implementation of this recommendation will be monitored by the Director of Fiscal & Personnel Services.

III. Findings – State Financial Assistance Findings and Questioned Costs

None

Town of Griswold, Connecticut

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025**

Finding 2024-001 Internal Control Over Financial Reporting (Significant Deficiency) – 2022

Condition

There were delays in obtaining an accurate reconciliation of expenditures and revenues reported by the Board of Education Fiscal & Personnel Services Office to the banking activity reported by the Town Director of Finance.

Current status

This finding has been repeated as 2025-003.

Finding 2024-002 Internal Control Over Financial Reporting of Scholarship and Student Activity Funds (Significant Deficiency) – 2022

Condition

Bank reconciliations for the Student Activity, GHS, and Brunet Scholarship Funds have old unresolved reconciling items.

The GHS Scholarship Fund is reported with the Scholarship Funds. Accounting records for the GHS Scholarship Fund and the Student Activity Funds do not provide revenue and expenditure activity.

The Farnsworth and GHS Scholarship Funds, and the Student Activity Fund have unresolved interfund balances.

Current status

This finding has been partially corrected and a portion is repeated as 2025-004.

Finding 2024-003 Internal Control Over Bank Accounts (Significant Deficiency) – 2024

Condition

The Board of Education accounts payable bank account was compromised through fraudulent activity during the year, but the account continues to process the Board of Education direct payroll deposits and receive Care4Kids funding direct deposits from the State.

Current status

This finding has been corrected.