

CITY OF NORWICH, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2021



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**CITY OF NORWICH, CONNECTICUT
STATE SINGLE AUDIT REPORT
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Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

To the Members of the City Council
City of Norwich, Connecticut

Report on Compliance for Each Major State Program

We have audited the City of Norwich, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of Norwich, Connecticut's major state programs for the year ended June 30, 2021. The City of Norwich, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Norwich, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Norwich, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Norwich, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the City of Norwich, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City of Norwich, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Norwich, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Norwich, Connecticut's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 City of Norwich, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements. We issued our report thereon date January 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 28, 2022

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Small Harbor Improvement Projects Program	12052-CPA47300-43509	\$ 5,237
Teen Outreach	11000-DSS60785-17032	<u>93,367</u>
Total		<u>98,604</u>
Department of Education		
Talent Development	11000-SDE64370-12552	5,541
Family Resource Centers	11000-SDE64370-16110	101,417
Child Nutrition State Match	11000-SDE64370-16211	24,786
Health Foods Initiative	11000-SDE64370-16212	49,253
Adult Education	11000-SDE64370-17030	305,329
Hlth & Welfare-Priv Schl Pupil	11000-SDE64370-17034	117,185
Alliance District	11000-SDE64370-17041-82164	7,055,964
Bilingual Education	11000-SDE64370-17042	26,799
Priority School Districts	11000-SDE64370-17043-82052	840,238
School Breakfast Program	11000-SDE64370-17046	29,872
Magnet Schools	11000-SDE64370-17057	45,500
Extended School Hours	11000-SDE64370-17108	88,716
School Accountability	11000-SDE64370-17109	108,304
Low Performing Schools SB1502	12052-SDE64370-43728	<u>152,979</u>
Total Department of Education		<u>8,951,883</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	<u>192,162</u>
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	<u>7,500</u>
Department of Administrative Services		
Alliance Dis Gen Imprvmnts	12052-DAS27635-43651	<u>134,581</u>

The accompanying notes are an integral part of this schedule

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Children and Families		
Youth Service Bureaus	11000-DCF91141-17052	\$ 71,987
Youth Service Bureau Enhancement	11000-DCF91141-17107	<u>12,037</u>
Total Department of Children and Families		<u>84,024</u>
Department of Transportation		
Intrastate Highway Projects	13033-DOT57124-41404	37
Town Aid Road-STO	13033-DOT57131-43459	245,453
Town Aid Road Grants-Municipal	12052-DOT57131-43455	<u>245,453</u>
Total Department of Transportation		<u>490,943</u>
Department of Emergency Services and Public Protection		
Drug Asset Forfeit Rv Acct DPS	12060-DPS32155-35142	5,798
Nuclear Emergency Safety Fund	12060-DPS32982-90428	<u>593</u>
Total Department of Emergency Services and Public Protection		<u>6,391</u>
Economic and Community Development		
Urban Act Grant-OPM	13019-ECD46210-41240	<u>207,067</u>
Mental Health and Addiction Services		
Local Prevention Council	11000-MHA53000-12215	<u>5,000</u>
Office of Early Childhood		
Child Care Quality Enhancement	11000-OEC64845-16158	17,159
Early Care and Education	11000-OEC64845-16274	2,263,070
Smart Start	11000-OEC64845-16279	<u>76,700</u>
Total Office of Early Childhood		<u>2,356,929</u>
Office of Policy and Management		
Police Radio System Replacement	13019-OPM20350-40002	500,000
Reimbrs Twns-Tx Los On St Prop	11000-OPM20600-17004	680,137
Reimb Twns-Priv Tax-Exmpt Prop	11000-OPM20600-17006	747,378

The accompanying notes are an integral part of this schedule

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Reimbrs Prop Tx-Disabil Exmptn	11000-OPM20600-17011	\$ 6,197
Prop Tax Relief For Veterans	11000-OPM20600-17024	17,146
Local Capital Improvement	12050-OPM20600-40254	376,901
Municipal Purposes & Projects	12052-OPM20600-43587	<u>187,132</u>
Total Office of Policy and Management		<u>2,514,891</u>
Probate Court Administration		
Probate Court Administration	12005-PCA98529-40007	<u>62,485</u>
Department of Labor		
Connecticut's Youth Employment Program	11000-DOL4000-12205	<u>28,560</u>
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	32,430,757
Excess Cost - Student Based	11000-SDE64370-17047	\$ 388,239
Excess Cost - Student Based	11000-SDE64370-17047	<u>1,658,298</u>
		<u>2,046,537</u>
Total Department of Education		<u>34,477,294</u>
Office of Policy and Management		
Municipal Transition	11000-OPM20600-17103	702,992
Municipal Stabilization Grant	11000-OPM20600-17104	210,834
Grants To Towns	12009-OPM20600-17005	<u>2,360,229</u>
Total Office of Policy and Management		<u>3,274,055</u>
Total Exempt Programs		<u>37,751,349</u>
Total State Financial Assistance		<u>\$ 52,892,369</u>

The accompanying notes are an integral part of this schedule

**CITY OF NORWICH, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

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 City of Norwich, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2021. 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 City of Norwich, 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 City of Norwich, Connecticut.

Basis of Accounting

The accounting policies of the City of Norwich, 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. There were no expenditures passed through to subrecipients.

**CITY OF NORWICH, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021:

Department of Energy and Environmental Protection:

Clean Water Funds (Amounts Expressed in Thousands):

Description	Interest Rate (%)	Date of Issue	Date of Maturity	(In Thousands)	
				Original Amount Issued	Outstanding June 30, 2021
Clean Water Act 349-C	2.00	12/31/2002	12/31/2021	881	26
Clean Water Act 625-D	2.00	12/31/2012	12/31/2031	1,865	1,061
Clean Water Act 495-C	2.00	05/31/2013	06/01/2032	5,748	3,387
Clean Water Act 625-D1	2.00	05/31/2015	12/31/2031	2,510	1,600
Clean Water Act 707-PD	2.00	2/26/2021	1/31/2041	1,655	1,655
Drinking Water State Revolving Fund 9714-C	2.77	12/31/2002	12/31/2021	1,899	61
Drinking Water State Revolving Fund 200801-C	2.27	07/01/2009	07/01/2029	450	178
Drinking Water State Revolving Fund 2010-8005	2.06	03/31/2010	12/31/2029	145	62
Drinking Water State Revolving Fund 2010-8006	2.06	03/31/2010	06/30/2030	326	147
Drinking Water State Revolving Fund 2010-7005	2.00	04/30/2014	10/31/2032	160	98
Drinking Water State Revolving Fund 2010-7006	2.00	04/30/2014	04/30/2032	148	89
Drinking Water State Revolving Fund 2014-7027	2.00	06/30/2015	12/31/2034	506	341
Drinking Water State Revolving Fund 2014-7036	2.00	05/31/2016	11/30/2036	4,052	2,921
Drinking Water State Revolving Fund 2015-7037	2.00	10/31/2016	10/31/2034	1,528	1,125
Drinking Water State Revolving Fund 2017-7056	2.00	8/31/2019	8/31/2038	2,695	2,313
Drinking Water State Revolving Fund 2019-7069	2.00	12/31/2020	6/30/2040	2,477	2,353
Drinking Water State Revolving Fund 2019-7072	2.00	8/30/2019	2/28/2039	1,582	1,398
Drinking Water State Revolving Fund 2019-7081	2.00	11/30/2020	6/30/2040	2,414	2,293
Drinking Water State Revolving Fund 2019-7077	*	*	*	*	5,031

* Loans not permanently financed as of June 30, 2021



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the City Council
City of Norwich, 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 City of Norwich, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Norwich, 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 the City of Norwich, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Norwich, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Norwich, 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*.

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 City of Norwich, Connecticut'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 City of Norwich, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 28, 2022

City of Norwich, Connecticut
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ yes X no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
Alliance District	11000-SDE64370-17041-82164	\$ 7,055,964
Adult Education	11000-SDE64370-17030	305,329
Office of Policy and Management		
Police Radio System Replacement	13019-OMP20350-40002	500,000

Dollar threshold used to distinguish between type A and type B programs: \$ 302,820

II. FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

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