

CITY OF NORWICH, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2022



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**CITY OF NORWICH, CONNECTICUT
STATE SINGLE AUDIT REPORT
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TABLE OF CONTENTS**

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	1-3
Schedule of Expenditures of State Financial Assistance	4-6
Notes to Schedule of Expenditures of State Financial Assistance	7-8
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 <i>Government Auditing Standards</i>	9-10
Schedule of Findings and Questioned Costs	11



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, 2022. 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.

In our opinion, the City of Norwich, 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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 City of Norwich, 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 government activities, each major fund and the aggregate remaining fund information of the City of Norwich, Connecticut and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements as of and for the year ended June 30, 2022, and have issued our report thereon dated December 18, 2022, 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 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

West Hartford, Connecticut
December 18, 2022

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Talent Development	11000-SDE64370-12552	7,250
Magnet Schools	11000-SDE64370-12632	53,300
Family Resource Centers	11000-SDE64370-16110	97,842
Child Nutrition State Match	11000-SDE64370-16211	20,693
Health Foods Initiative	11000-SDE64370-16212	48,345
Adult Education	11000-SDE64370-17030	351,748
Hlth & Welfare-Priv Schl Pupil	11000-SDE64370-17034	103,269
Alliance District	11000-SDE64370-17041-82164	8,186,881
Bilingual Education	11000-SDE64370-17042	9,954
Priority School Districts	11000-SDE64370-17043-82052	829,435
School Breakfast Program	11000-SDE64370-17046	26,489
Extended School Hours	11000-SDE64370-17108	75,914
School Accountability	11000-SDE64370-17109	<u>104,693</u>
Total Department of Education		<u>9,915,813</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	<u>267,720</u>
Total Department of Social Services		<u>267,720</u>
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	<u>7,500</u>
Total Connecticut State Library		<u>7,500</u>
Department of Administrative Services		
ALLIANCE DIS GEN IMPRVMNTS	12052-DAS27635-43651	<u>343,019</u>
Total Department of Administrative Services		<u>343,019</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, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Children and Families		
Cognitive Behavioral Intervention for Trauma in Schools	11000-DCF91158-16116	3,044
Youth Service Bureaus	11000-DCF91141-17052	71,984
Youth Service Bureau Enhanceme	11000-DCF91141-17107	<u>14,056</u>
Total Department of Children and Families		<u>89,084</u>
Department of Transportation		
Town Aid Road Grants-Municipal	12052-DOT57131-43455	244,263
Town Aid Road-STO	13033-DOT57131-43459	244,263
Local Transportation Capital Program	13033-DOT57197-43584	1,207,719
Let's Go CT Ramp-Up Program	13033-DOT57551-43667	400,000
New London Tpke Complete Streets Project	17DOT0105AA	<u>25,839</u>
Total Department of Transportation		<u>2,122,084</u>
Department of Emergency Services and Public Protection		
Drug Asset Forfeit Rv Acct DPS	12060-DPS32155-35142	8,723
Nuclear Emergency Safety Fund	12060-DPS32982-90428	3,221
Occum Fire Facility Upgrade Grant	N/A	<u>75,338</u>
Total Department of Emergency Services and Public Protection		<u>87,282</u>
Economic and Community Development		
Historic Preservation Funds pr	12060-ECD46840-26358	19,998
Urban Act Grant-OPM	13019-ECD46210-41240	<u>161,742</u>
Total Economic and Community Development		<u>181,740</u>
Office of Early Childhood		
Child Care Quality Enhancement	11000-OEC64845-16158	19,931
Early Care and Education	11000-OEC64845-16274	2,371,156
Smart Start	11000-OEC64845-16279	<u>75,000</u>
Total Office of Early Childhood		<u>2,466,087</u>
Office of Policy and Management		
Reimbrs Prop Tx-Disabil Exmptn	11000-OPM20600-17011	6,993
Distressed Municipalities	11000-OPM20600-17016	636
Prop Tax Relief For Veterans	11000-OPM20600-17024	14,131

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, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Tiered PILOT	11000-OPM20600-17111	2,124,470
Local Capital Improvement	12050-OPM20600-40254	387,053
MUNICIPAL PURPOSES & PROJECTS	12052-OPM20600-43587	187,132
Distressed Municipalities	12052-OPM20600-43750	2,072
MRSA- Tiered PILOT	12060-OPM20600-35691	<u>754,960</u>
Total Office of Policy and Management		<u>3,477,447</u>
Summer Youth Employment Program	11000-DOL4000-12205	31,613
Local Prevention Council	11000-MHA53000-12215	9,927
Teen Outreach	11000-DSS60785-17032	92,292
Kinship Grant	N/A	<u>31,650</u>
Total		<u>165,482</u>
Total State Financial Assistance Before Exempt Programs		<u>19,123,258</u>
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	32,306,534
Excess Cost - Student Based	11000-SDE64370-17047-82018	1,287,423
Excess Cost - Student Based	11000-SDE64370-17047-82016	<u>572,662</u>
		<u>1,860,085</u>
Total Department of Education		<u>34,166,619</u>
Office of Policy and Management		
Municipal Transition	11000-OPM20600-17103	702,992
Municipal Stabilization Grant	11000-OPM20600-17104	210,834
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045	<u>2,360,229</u>
Total Office of Policy and Management		<u>3,274,055</u>
Total Exempt Programs		<u>37,440,674</u>
Total State Financial Assistance		<u>\$ 56,563,932</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, 2022**

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, 2022. 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.

**CITY OF NORWICH, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022:

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, 2022
Clean Water Act 349-C	2.00	12/31/2002	12/31/2021	881	
Clean Water Act 625-D	2.00	12/31/2012	12/31/2031	1,865	969
Clean Water Act 495-C	2.00	05/31/2013	06/01/2032	5,748	3,107
Clean Water Act 625-D1	2.00	05/31/2015	12/31/2031	2,510	1,462
Clean Water Act 707-PD	2.00	2/26/2021	1/31/2041	1,655	1,538
Drinking Water State Revolving Fund 9714-C	2.77	12/31/2002	12/31/2021	1,899	
Drinking Water State Revolving Fund 200801-C	2.27	07/01/2009	07/01/2029	450	156
Drinking Water State Revolving Fund 2010-8005	2.06	03/31/2010	12/31/2029	145	54
Drinking Water State Revolving Fund 2010-8006	2.06	03/31/2010	06/30/2030	326	130
Drinking Water State Revolving Fund 2010-7005	2.00	04/30/2014	10/31/2032	160	90
Drinking Water State Revolving Fund 2010-7006	2.00	04/30/2014	04/30/2032	148	81
Drinking Water State Revolving Fund 2014-7027	2.00	06/30/2015	12/31/2034	506	316
Drinking Water State Revolving Fund 2014-7036	2.00	05/31/2016	11/30/2036	4,052	2,718
Drinking Water State Revolving Fund 2015-7037	2.00	10/31/2016	10/31/2034	1,528	1,040
Drinking Water State Revolving Fund 2017-7056	2.00	8/31/2019	8/31/2038	2,695	2,179
Drinking Water State Revolving Fund 2019-7069	2.00	12/31/2020	6/30/2040	2,477	2,229
Drinking Water State Revolving Fund 2019-7072	2.00	8/30/2019	2/28/2039	1,582	1,319
Drinking Water State Revolving Fund 2019-7081	2.00	11/30/2020	6/30/2040	2,414	2,172
Drinking Water State Revolving Fund 2019-7077	*	*	*	*	5,497



**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, 2022, 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 December 18, 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.

Report on 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
December 18, 2022

City of Norwich, Connecticut
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 8,186,881
Office of Policy and Management		
Tiered PILOT	11000-OPM20600-17111	2,124,470
Local Capital Improvement	12050-OPM20600-40254	387,053
MRSA- Tiered PILOT	12060-OPM20600-35691	754,960
Department of Transportation		
Town Aid Road Grants-Municipal	12052-DOT57131-43455	244,263
Town Aid Road Grants-STO	13033-DOT57131-43459	244,263
Local Transportation Capital Program	13033-DOT57197-43584	1,207,719
Let's Go CT Ramp-Up Program	13033-DOT57551-43667	400,000

Dollar threshold used to distinguish between type A and type B programs: \$ 382,465

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.