

**CITY OF NORWICH, CONNECTICUT  
STATE SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2023**



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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**

Honorable Mayor and City Council  
City of Norwich, Connecticut

**Report on Compliance for Each Major State Program**  
***Opinion on Each Major State Program***

We have audited the City of Norwich, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of Norwich, Connecticut's major state programs for the year ended June 30, 2023. 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, 2023.

***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 audit requirements of 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 the 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.

Honorable Mayor and City Council  
City of Norwich, Connecticut

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements. We have issued our report thereon dated December 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 13, 2023

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Department of Education</b>			
Talent Development	11000-SDE64370-12552	\$	\$ 12,206
Non Sheff Transportation	11000-SDE64370-12632		41,600
Family Resource Centers	11000-SDE64370-16110		95,634
Child Nutrition State Match	11000-SDE64370-16211		20,069
Health Foods Initiative	11000-SDE64370-16212		36,187
Adult Education	11000-SDE64370-17030		363,801
Health & Welfare - Private School Pupil	11000-SDE64370-17034		52,745
Alliance District	11000-SDE64370-17041-82164		9,131,368
Bilingual Education	11000-SDE64370-17042		22,118
Priority School Districts	11000-SDE64370-17043-82052		816,809
School Breakfast Program	11000-SDE64370-17046		26,620
Extended School Hours	11000-SDE64370-17108		90,234
School Accountability	11000-SDE64370-17109		103,485
Total Department of Education		-	10,812,876
<b>Connecticut State Library</b>			
Historic Document Preservation	12060-CSL66094-35150		7,500
Total Connecticut State Library		-	7,500
<b>Department of Children and Families</b>			
Community Based Prevention Program	11000-DCF91141-16092		7,299
Youth Service Bureaus	11000-DCF91141-17052		71,900
Youth Service Bureau Enhancement	11000-DCF91141-17107		12,991
Total Department of Children and Families		-	92,190
<b>Department of Energy and Environmental Protection</b>			
Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363		24,300
Total Department of Energy and Environmental Protection		-	24,300
<b>Department of Social Services</b>			
Teen Outreach	11000-DSS60785-17032		92,600
Total		-	92,600

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

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Department of Transportation</b>			
Town Aid Road Grants - Municipal	12052-DOT57131-43455	\$	\$ 248,268
Town Aid Road - STO	13033-DOT57131-43459		248,268
Sherman Stret Bridge - State Match	13033-DOT57151-41392		761,243
Local Transportation Capital Program	13033-DOT57197-43584		485,520
Total Department of Transportation		-	1,743,299
<b>Department of Emergency Services and Public Protection</b>			
Other Expenses	11000-DPS32251-10020		24,662
Volunteer Firefighter Training	11000-DPS32251-17110		6,900
ARPA - Violent Crimes Task Force	12060-DPS32521-28125		41,970
Enhanced 911 Telecommunication Fund	12060-DPS32741-35190		124,750
Drug Assets Forfeiture Revolving Account	12060-DPS32155-35142		650
Total Department of Emergency Services and Public Protection		-	198,932
<b>Office of Early Childhood</b>			
Child Care Quality Enhancement	11000-OEC64845-16158		18,591
School Readiness in Priority School Districts	11000-OEC64845-16274	787,102	2,263,890
Smart Start	11000-OEC64845-16279		75,000
Total Office of Early Childhood		787,102	2,357,481
<b>Office of Policy and Management</b>			
Reimbursement Property Tax - Disability Exemption	11000-OPM20600-17011		6,258
Local Capital Improvement Program	12050-OPM20600-40254		367,018
Distressed Municipalities	11000-OPM20600-17016		15,112
Property Tax Relief For Veterans	11000-OPM20600-17024		14,365
Tiered PILOT	11000-OPM20600-17111		2,254,362
Municipal Purposes & Projects	12052-OPM20600-43587		187,132
Distressed Municipalities	12052-OPM20600-43750		53,518
Municipal Revenue Sharing	12060-OPM20600-35458		908,239
MRSA - Tiered PILOT	12060-OPM20600-35691		609,179
Total Office of Policy and Management		-	4,415,183
<b>Probate Court Administration</b>			
Kinship Grant	12005-PCA98529-40007	\$	\$ 37,832
Total Probate Court Administration		-	37,832

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

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Connecticut Port Authority</b>			
Small Harbor Improvement Projects Program (SHIPP)	12052-CPA47300-43509	_____	6,378
Total		_____ -	6,378
<b>Economic and Community Development</b>			
Connecticut Communities Challenge Grant	23ECD0014MA	_____	15,212
Total Economic and Community Development		_____ -	15,212
<b>Total State Financial Assistance Before Exempt Programs</b>		_____ 787,102	19,803,783
<b>Exempt Programs</b>			
<b>Department of Education</b>			
Education Cost Sharing	11000-SDE64370-17041-82010		32,087,351
Excess Cost - Student Based	11000-SDE64370-17047		2,058,237
Total Department of Education		_____ -	34,145,588
<b>Office of Policy and Management</b>			
Municipal Transition	11000-OPM20600-17103		2,888,223
Municipal Stabilization Grant	11000-OPM20600-17104		210,834
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045	_____	2,360,229
Total Office of Policy and Management		_____ -	5,459,286
Total Exempt Programs		_____ -	39,604,874
<b>Total State Financial Assistance</b>		_____ \$ 787,102	\$ 59,408,657

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

**CITY OF NORWICH, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023**

**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, 2023. 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.

**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, 2023:

**Department of Energy and Environmental Protection**

**Clean Water Funds (Reported in Thousands)**

Description	Interest Rate (%)	Date of Issue	Date of Maturity	(In Thousands)	
				Original Amount Issued	Outstanding June 30, 2023
Clean Water Act 625-D	2.00 %	12/31/2012	12/31/2031	1,865	\$ 876
Clean Water Act 495-C	2.00	05/31/2013	06/01/2032	5,748	2,821
Clean Water Act 625-D1	2.00	05/31/2015	12/31/2031	2,510	1,321
Clean Water Act 707-PD	2.00	2/26/2021	1/31/2041	1,655	1,455
Clean Water Act 743-D	*	*	*	*	2,050
* Note Not Permanently Financed as of June 30, 2023				Total	<u>\$ 8,523</u>

**CITY OF NORWICH, CONNECTICUT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023**

**NOTE 2 LOAN PROGRAMS (CONTINUED)**

**Department of Public Health**

**Drinking Water State Revolving Fund (DWSRF Program) (Reported in Thousands)**

Description	Interest Rate (%)	Date of Issue	Date of Maturity	(In Thousands)	
				Original Amount Issued	Outstanding June 30, 2023
Drinking Water State Revolving Fund 200801-C	2.27 %	07/01/2009	07/01/2029	450	133
Drinking Water State Revolving Fund 2010-8005	2.06	03/31/2010	12/31/2029	145	47
Drinking Water State Revolving Fund 2010-8006	2.06	03/31/2010	06/30/2030	326	114
Drinking Water State Revolving Fund 2010-7005	2.00	04/30/2014	10/31/2032	160	81
Drinking Water State Revolving Fund 2010-7006	2.00	04/30/2014	04/30/2032	148	73
Drinking Water State Revolving Fund 2014-7027	2.00	06/30/2015	12/31/2034	506	291
Drinking Water State Revolving Fund 2014-7036	2.00	05/31/2016	11/30/2036	4,052	2,515
Drinking Water State Revolving Fund 2015-7037	2.00	10/31/2016	10/31/2034	1,528	955
Drinking Water State Revolving Fund 2017-7056	2.00	8/31/2019	8/31/2038	2,695	2,044
Drinking Water State Revolving Fund 2019-7069	2.00	12/31/2020	6/30/2040	2,477	2,106
Drinking Water State Revolving Fund 2019-7072	2.00	8/30/2019	2/28/2039	1,582	1,239
Drinking Water State Revolving Fund 2019-7081	2.00	11/30/2020	6/30/2040	2,414	2,052
Drinking Water State Revolving Fund 2019-7077	2.00	9/30/2022	9/30/2041	5,824	5,458
Drinking Water State Revolving Fund 2022-7104	2.00	3/31/2023	9/30/2042	131	131
Total					<u>\$ 17,239</u>



**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***

Honorable Mayor and 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, 2023, 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 13, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

Honorable Mayor and Board of Aldermen  
City of Norwich, Connecticut

**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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 13, 2023

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

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

**State Financial Assistance**

1. Internal control over major programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ yes        x   no

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

State Grantor and Program	State Core-CT Number	Expenditures
Alliance District	11000-SDE64370-17041-82164	\$ 9,131,368
Priority School Districts	11000-SDE64370-17043-82052	816,809
Sherman Street Bridge – State Match	13033-DOT57151-41392	761,243
School Readiness in Priority School Districts	11000-OEC64845-16274	2,263,890

Dollar threshold used to distinguish between Type A and Type B programs:                      \$ 396,067

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – State Financial Assistance***

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