

**CITY OF NORWICH, CONNECTICUT
STATE SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024**



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**CITY OF NORWICH, CONNECTICUT
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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, 2024. 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the 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, 2024, 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 9, 2024, 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 9, 2024

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
Connecticut Stronger Connections Grant	12060-SDE63470-23275	\$	\$ 35,400
Commissioner's Network	11000-SDE64370-12547		99,661
Talent Development	11000-SDE64370-12552		10,821
Non Sheff Transportation	11000-SDE64370-12632		45,500
Family Resource Centers	11000-SDE64370-16110		111,015
Child Nutrition State Match	11000-SDE64370-16211		21,311
Health Foods Initiative	11000-SDE64370-16212		38,613
Adult Education	11000-SDE64370-17030		378,852
Health & Welfare - Private School Pupil	11000-SDE64370-17034		61,194
Alliance District	11000-SDE64370-17041-82164		10,461,305
Education Equalization Grants	11000-SDE64370-17041		123,994
Bilingual Education	11000-SDE64370-17042		48,127
Priority School Districts	11000-SDE64370-17043-82052		818,051
School Breakfast Program	11000-SDE64370-17046		23,870
Extended School Hours	11000-SDE64370-17108		88,649
School Accountability	11000-SDE64370-17109		103,246
Total Department of Education		-	12,469,609
Connecticut State Library			
Historic Document Preservation	12060-CSL66094-35150		8,000
Total Connecticut State Library		-	8,000
Department of Children and Families			
Community Based Prevent Prog	11000-DCF91185-16092		12,143
Youth Service Bureaus	11000-DCF91185-17052		71,901
Youth Service Bureau Enhanceme	11000-DCF91185-17107		12,992
Total Department of Children and Families		-	97,036
Department of Energy and Environmental Protection			
DEEP Climate Resilience Fund-Shipping Street Pump	12052-DEP43111-43661		1,279
Station Resilience Project			
DEEP Climate Resilience Fund-Bean Hill Substation Flood Resilience Project	12052-DEP43111-43661		509
Flood Resilience Project			
Public, Educational and Governmental Programming and Educational Technology Investment Account	12060-DEP44620-35363		80,597
Total Department of Energy and Environmental Protection		-	82,385

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, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Transportation			
Town Aid Road Grants	12001-DOT57131-17036	\$ _____	\$ 495,255
Total Department of Transportation		-	495,255
Department of Emergency Services and Public Protection			
Enhanced 911 Telecomm Fund	12060-DPS32741-35190		169,898
Volunteer Fire Departments in Distressed Communities	11000-DPS32251-17110		8,650
Total Department of Emergency Services and Public Protection		-	178,548
Department of Social Services			
Medicaid	11000-DSS60000-16020		348,634
Teen Outreach	11000-DSS60785-17032		92,600
Total Department of Social Services		-	441,234
Economic and Community Development			
Economic Assistance Revolving Loan Fund Grants	12035-ECD46200-40226		500,000
Total Economic and Community Development		-	500,000
Office of Early Childhood			
Child Care Quality Enhancement	11000-OEC64845-16158		20,120
Early Care and Education	11000-OEC64845-16274		2,120,972
Smart Start	11000-OEC64845-16279		75,000
Wage Supports for Early Childhood Educators	11000-OEC64806-16274-83031		123,826
Paraeducator Stipend	11000-OSC15301-10020-14000		55,539
Total Office of Early Childhood		-	2,395,457
Office of Policy and Management			
Reimbursement Property Tax - Disability Exemption	11000-OPM20600-17011		7,602
Prop Tax Relief For Veterans	11000-OPM20600-17024		14,175
Tiered PILOT	12002-OPM20600-17111		3,033,432
Local Capital Improvement	12050-OPM20600-40254		160,349
Municipal Purposes & Projects	12052-OPM20600-43587		187,132
Municipal Revenue Sharing	12060-OPM20600-35458		1,192,416
Total Office of Policy and Management		-	4,595,106

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, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of the Secretary of State			
Early Voting	11000-SOS12500-12651	\$ _____	\$ 9,680
Total Office of the Secretary of State		-	9,680
Connecticut Port Authority			
Small Harbor Improvements Project Program - Heritage Riverfront Walkway	12052-CPA47300-43509		28,031
Small Harbor Improvements Project Program - Municipal Mariana Docks/Pier	12052-CPA47300-43509		827,132
Total Connecticut Port Authority		-	855,163
Connecticut Social Equity Council			
<i>Passed through the Community Foundation of Eastern Connecticut</i> 2023 Cannabis Social Equity Council	23SECCOMREIPILOT003		21,855
Total Connecticut Social Equity Council			21,855
Total State Financial Assistance Before Exempt Programs		-	22,149,328
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010		32,282,481
Excess Cost - Student Based	11000-SDE64370-17047		2,246,411
Total Department of Education		-	34,528,892
Department of Administrative Services			
School Construction Progress	13010-DAS27635-43744		2,340,500
Total Department of Administrative Services		-	2,340,500
Office of Policy and Management			
Supplemental Revenue Sharing	12002-OPM20600-17102		210,834
Motor Vehicle Tax Grants	12002-OPM20600-17103		2,892,908
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045		2,360,229
Distressed Municipalities	12052-OPM20600-43750		84,956
Total Office of Policy and Management		-	5,548,927
Total Exempt Programs		-	42,418,319
Total State Financial Assistance		\$ _____	\$ 64,567,647

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, 2024**

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, 2024. Various departments and agencies of the state of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the state of Connecticut. Because the Schedule presents only a selected portion of the operations of the 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, 2024:

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, 2024
Clean Water Act 625-D	2.00 %	12/31/2012	12/31/2031	\$ 1,865	\$ 780
Clean Water Act 495-C	2.00	5/31/2013	6/1/2032	5,748	2,528
Clean Water Act 625-D1	2.00	5/31/2015	12/31/2031	2,510	1,177
Clean Water Act 707-Pd	2.00	2/26/2021	1/31/2041	1,655	1,372
Clean Water Act 743-D	2.00	10/31/2023	9/30/2043	2,061	1,957
Clean Water Act 743-D	*	*	*	*	10,425
* Note Not Permanently Financed as of June 30, 2024				Total	<u>\$ 18,239</u>

**CITY OF NORWICH, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2024**

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, 2024
Drinking Water State Revolving Fund 200801-C	2.00 %	7/1/2009	7/1/2029	\$ 450	\$ 111
Drinking Water State Revolving Fund 2010-8005	2.00	3/31/2010	12/31/2029	145	40
Drinking Water State Revolving Fund 2010-8006	2.00	3/31/2010	6/30/2030	326	98
Drinking Water State Revolving Fund 2010-7005	2.00	4/30/2014	10/31/2032	160	72
Drinking Water State Revolving Fund 2010-7006	2.00	4/30/2014	4/30/2032	148	64
Drinking Water State Revolving Fund 2014-7027	2.00	6/30/2015	12/31/2034	506	266
Drinking Water State Revolving Fund 2014-7036	2.00	5/31/2016	11/30/2036	4,052	2,313
Drinking Water State Revolving Fund 2015-7037	2.00	10/12/2016	9/30/2034	1,528	870
Drinking Water State Revolving Fund 2017-7056	2.00	2/28/2019	6/30/2028	2,695	1,909
Drinking Water State Revolving Fund 2019-7069	2.00	12/31/2020	6/30/2040	2,477	1,982
Drinking Water State Revolving Fund 2019-7072	2.00	8/31/2019	2/28/2039	1,582	1,160
Drinking Water State Revolving Fund 2019-7081	2.00	11/30/2020	6/30/2040	2,414	1,931
Drinking Water State Revolving Fund 2019-7077	2.00	9/30/2022	9/30/2041	5,824	5,159
Drinking Water State Revolving Fund 2022-7104	2.00	3/31/2023	9/30/2042	131	120
				Total	<u>\$ 16,095</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, 2024, 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 9, 2024.

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 9, 2024

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ 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	\$ 10,461,305
Economic Assistance Revolving Loan Fund Grants	12035-ECD46200-40226	500,000
Tiered PILOT	12002-OPM20600-17111	4,225,848
Small Harbor Improvements Project Program – Municipal Mariana Docks/Piers	12052-CPA47300-43509	827,132

Dollar threshold used to distinguish between Type A and Type B programs: \$ 442,514

**CITY OF NORWICH, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – State Financial Assistance

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



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