

CITY OF NORWALK, CONNECTICUT

FEDERAL AND STATE FINANCIAL
AND COMPLIANCE REPORTS
Year Ended June 30, 2013

CITY OF NORWALK, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS

TABLE OF CONTENTS

REPORTS REQUIRED BY THE FEDERAL SINGLE AUDIT ACT AND OMB CIRCULAR

A-133

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.....	1-2
Schedule of Expenditures of Federal Awards.....	3-5
Notes to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs.....	7-8
Summary of Prior Year Audit Findings	9

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

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>	10-11
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REPORTS REQUIRED BY THE STATE SINGLE AUDIT ACT

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	12-13
Schedule of Expenditures of State Financial Assistance	14-16
Notes to Schedule of Expenditures of State Financial Assistance	17
Schedule of State Single Audit Compliance Findings and Questioned Costs.....	18-19



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Common Council
City of Norwalk, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the City of Norwalk, Connecticut's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's 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 federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal program occurred. An audit includes examining, on a test basis, evidence about the City'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 federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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'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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 Norwalk, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Norwalk, Connecticut's basic financial statements. We issued our report thereon dated December 30, 2013, 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 federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut
December 30, 2013

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education Child Nutrition Cluster:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 278,841
National School Lunch Program	10.555	12060-SDE64370-20560	2,430,774
Total			<u>2,709,615</u>
Team Nutrition Grants	10.574	N/A	<u>7,000</u>
Passed through the State of Connecticut			
Department of Health Services:			
Special Supplemental Food Program for Women, Infants and Children	10.557	12060-SDE64370-20508	230,483
WIC Food Benefits Grants to State - Non Cash	10.557	N/A	1,242,017
Total			<u>1,472,500</u>
Total U.S. Department of Agriculture			<u>4,189,115</u>
U.S. Department of Housing and Urban Development			
Direct program:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	<u>1,322,617</u>
U.S. Department of Justice			
Direct Program:			
Drug Seizure Fund	16.578	N/A	<u>122,838</u>
Selective Traffic Enforcement	16.738	N/A	<u>27,777</u>
Bullet Proof Vest Partnership Grant	16.607	N/A	<u>7,692</u>
COPS Technology Grant	16.710	N/A	<u>95,669</u>
Organized Crime Drug Enforcement Task Force	16.xxx	N/A	<u>41,447</u>
Youth Gang Prevention and Intervention Program	16.544	N/A	61,610
Gang Prevention Youth Mentoring Program	16.xxx	N/A	165,235
			<u>226,845</u>
Norwalk JAG Local Pass-Through Project	16.738	N/A	<u>35,064</u>
Total U.S. Department of Justice			<u>557,332</u>

(Continued)

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
 For the Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
Passed through the State of Connecticut			
Department of Education:			
Title I Part A Cluster:			
Title I Grants to Local Education Agencies - 7/11-6/13	84.010	12060-SDE64370-20679	378,584
Title I Grants to Local Education Agencies - 7/12-6/14	84.010	12060-SDE64370-20679	1,266,005
Total			<u>1,644,589</u>
 Carl Perkins Vocational and Technical Education - Basic Grants to State	 84.048A	 12060-SDE64370-20742	 <u>142,478</u>
Special Education Cluster:			
Special Education - Preschool Grants	84.173A	12060-SDE64370-20983	83,249
Grants to States IDEA - Part B- 7/11-6/13	84.027A	12060-SDE64370-20977	907,277
Grants to States IDEA - Part B- 7/12-6/14	84.027A	12060-SDE64370-20977	1,351,960
Total			<u>2,342,486</u>
 English Lanaguage Acquistion Grants - 7/11-6/13	 84.365	 12060-SDE64370-20868	 90,377
English Language Acquisition Grants - 7/12-6/14	84.365	12060-SDE64370-20868	128,386
Total			<u>218,763</u>
 Improving Teacher Quality State Grants - 7/11-6/13	 84.367	 12060-SDE64370-20858	 334,655
Improving Teacher Quality State Grants - 7/12-6/14	84.367	12060-SDE64370-20858	94,464
Total			<u>429,119</u>
 Total U.S. Department of Education			 <u>4,777,435</u>
U.S. Department of Homeland Security			
Direct Program:			
Assistance to Firefighters	97.044	N/A	29,607
Passed through the State of Department of Public Safety:			
Port Security Grant Program	97.056	12060-DPS32160-22327	669,234
Emergency Operations Center	97.052	12060-DPS32160-22396	707,329
Disaster Grants- Public Assistance	97.036	12060-DPS32990-21891	1,827,104
Total U.S. Department of Homeland Security			<u>3,233,274</u>

(Continued)

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
 For the Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through the State of Connecticut			
Department of Public Health:			
Childhood Immunization Grants	93.268	11000-DPH48500-10020	\$ 95,254
HIV Prevention Activities-Health Department Based	93.940	12060-DPH48852-22511	23,363
Preventive Health and Health Services Block Grant	93.991	12060-DPH48858-21530	11,968
Vaccines	93.268	N/A	50,149
Public Health Emergency Preparedness Grant	93.069	12060-DPH48558-22333	69,254
Total U.S. Department of Health and Human Services			<u>249,988</u>
Department of the Interior			
Refuge Revenue Sharing	99.000	N/A	<u>19,345</u>
U.S. Department of Transportation			
Direct Program:			
Expanded DUI Enforcement Program	20.500	N/A	<u>50,833</u>
Passed through the State of Connecticut			
Department of Transportation:			
ARRA Pavement Preservation	20.205	12062-DOT57161-29015	<u>261,841</u>
Total U.S. Department of Transportation			<u>312,674</u>
Total Expenditures of Federal Awards			<u>\$ 14,661,780</u>

N/A = Not Applicable.

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF NORWALK, CONNECTICUT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2013

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Norwalk, Connecticut (the "City") under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2. Summary of Significant Accounting Principles

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Norwalk, Connecticut and is presented on the modified accrual basis of accounting for grants which are accounted for in the governmental funds and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Contribution

U.S.D.A. Contributions

The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$269,360 represents the market value of such commodities used during the period. This amount is included in the Child Nutrition Cluster.

WIC Food Payments

The United States Department of Agriculture makes noncash distributions of food vouchers for WIC. The amount of \$1,242,017 represents the market value of such vouchers used during this period.

CITY OF NORWALK, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

Yes No

Identification of Major Programs

CFDA Numbers	Name of Program or Cluster
84.010A	Title I Part A Cluster
16.578	Drug Seizure
84.173A/84.027A	Special Education Cluster
97.036	Disaster Grants Public Assistance
10.553/10.555	Child Nutrition Cluster
97.052	Emergency Operations Center Grant Program
97.056	Port Security Grant Program
84.367A	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs

\$439,853

Auditee qualified as low-risk auditee?

Yes No

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2013

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

**CITY OF NORWALK, CONNECTICUT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2013**

IC12-01.	Corrected during 2013 fiscal year
IC12-02.	Corrected during 2013 fiscal year
IC12-03.	Corrected during 2013 fiscal year



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Common Council
City of Norwalk, 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 Norwalk, Connecticut (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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'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 determination of financial statement amounts. 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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "McGladrey LLP". The signature is written in black ink and is positioned above the typed text.

New Haven, Connecticut
December 30, 2013



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Common Council
City of Norwalk, Connecticut

Report on Compliance for Each Major State Program

We have audited the City of Norwalk, Connecticut's (the "City") 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's major state programs for the year ended June 30, 2013. The City's major state programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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'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's compliance.

Opinion on Each Major State Program

In our opinion, the City 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, 2013.

Report on Internal Control Over Compliance

Management of the City 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'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'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 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 Norwalk, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Norwalk, Connecticut's basic financial statements. We issued our report thereon dated December 30, 2013, 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.



New Haven, Connecticut
December 30, 2013

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2013

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
CONNECTICUT STATE LIBRARY:		
Grants to Cooperating Library Service Units	11000-CSL66051-17003	\$ 1,270
Connecticard Payment	11000-CSL66051-Various	2,433
Historic Document Preservation Grant	12060-CSL66094-35150	7,134
		<u>10,837</u>
DEPARTMENT OF EDUCATION:		
School Readiness and Child Care Grant	11000-SDE64000-17043-82056	4,279,631
Family Resource Center	11000-SDE64000-16110	210,426
Adult Education	11000-SDE64370-17030	53,284
Non-Public Health Services	11000-SDE64000-17034	47,175
Bilingual Education	11000-SDE64370-17042	96,209
Priority School District	11000-SDE64370-17043-82052	2,908,896
Magnet School - Transportation	11000-SDE64370-17057	345,737
Youth Services Bureau	11000-SDE64370-17052	65,984
School Accountability - Summer School	11000-SDE64370-17043-82055	247,259
State School Breakfast	11000-SDE64370-17046	65,236
Child Nutrition State Matching Grant	11000-116211-82051-2012-17	47,876
Healthy Food Grant	11000-SDE64370-16212	103,279
Magnet School - Operating	11000-SDE64370-17057	1,402,900
Extended School Hours	11000-SDE64000-17043-82054	214,772
Quality Enhancement Grant	12060-SDE64370-90242	50,282
Youth Services Bureau - Enhancement	11000-SDE64370-16201	7,382
ECS - Alliance District Funding	11000-SDE64370-17041-82164	342,538
Accountability Training and Technical Asst	11000-SDE64370-12453	6,562
		<u>10,495,428</u>
OFFICE OF POLICY AND MANAGEMENT:		
Property Tax Relief - Elderly Circuit Breakers	11000-OPM20600-17018	470,633
Local Capital Improvement Program	11000-OPM20600-40254	628,837
Property Tax Relief - Private Colleges and Hospitals	11000-OSC15910-17006	347,706
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	1,555,260
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	16,000
Property Tax Relief for Veterans	11000-OPM20600-17024	3,009
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	37,700
Property Tax Relief - Disabled	11000-OPM20600-17011	3,594
DOJ Local Pass Through Summer 2012 violence Reduction	N/A	31,348
		<u>3,094,087</u>
DEPARTMENT OF AGRICULTURE:		
Farmer's Market Program	N/A	<u>853</u>
DEPARTMENT OF SOCIAL SERVICES:		
MMIS S PYMT	N/A	<u>270</u>

(Continued)

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
For the Year Ended June 30, 2013

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY:		
National Ely Child Development Center	N/A	\$ 44,928
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants	12001-DOT57131-17036	438,715
Click it or Ticket	N/A	6,161
Closed Loop Traffic Signal System Installation	N/A	2,716,162
Bridge Over Water Project	N/A	30,206
West Avenue Corridor Transportation Improvement Project	N/A	908
Norwalk City-Wide Traffic Management Plan	09DOT0223AA	50,346
Safe Routes to School Program-Strawberry Hill Ave at Tierney St	N/A	4,268
		<u>3,246,766</u>
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Urban Act Grant-Waypointe Development	N/A	990,904
South Norwalk Transit Remediation	N/A	217,217
Payment in Lieu of Taxes	11000-ECD46400-17008	13,622
City Canvases Initiative	2012-CC-20249	1,668
		<u>1,223,411</u>
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION:		
O&M of Norwalk Visitors Dock	N/A	11,626
Clean Water Fund- Grants and Loans	21044-OTI4230-4001	2,978,095
Oyster Shell Park CUAP 2007-10	2009-9069	160,979
Marine Sewage Disposal Facility-Clean Vessel Act	PSA2012-12227	16,463
Removal of Flock Process Dam on the Norwalk River	State ID# 2011-11172	88,872
Silvermine River Watershec Residential Rain Barrel Project	State ID# 2012-12266	6,975
2012 Emergency Planning & Preparedness Initiative	N/A	1,200
		<u>3,264,210</u>
JUDICIAL DEPARTMENT:		
Littering Fines	34001-JUD95162-40001	262
Motor Vehicle Violation Surcharge	34001-JUD95162-40001	64,237
Motor Vehicle Fines - Cell Phone	N/A	13,124
		<u>77,623</u>
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION:		
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	99,160
ICAC Grant Reimbursement	N/A	5,089
State 911 Enhancement	12060-DPS32740-35190	190,321
		<u>294,570</u>
DEPARTMENT OF REVENUE SERVICES:		
Payments to Municipalities - OTB	34003-DRS16442-18010	163,526
CIT Reimbursement	N/A	21,158
Bingo Payments	11000-DRS16324-10020	91
		<u>184,775</u>
STATE COMPTROLLER:		
Nitrogen Credit Exchange Program	21016-OTT14230-42407	92,980

(Continued)

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
 For the Year Ended June 30, 2013

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF PUBLIC HEALTH:		
Lead Poisoning Prevention	11000-DPH48852-12126	\$ 26,140
AIDS Prevention Education Services	11000-DPH48500-12236	23,254
Per Capita Grant	11000-DPH48500-17009	80,256
Venereal Disease Control	11000-DPH48500-17013	13,800
		<u>143,450</u>
DEPARTMENT OF REHABILITATION SERVICES		
Services for the Blind	11000-ESB65020-12060	<u>86,634</u>
CONNECTICUT COMMISSION ON CULTURE AND TOURISM:		
Local Arts Agency Partnership	N/A	<u>5,113</u>
EMERGENCY MANAGEMENT AND HOMELAND SECURITY:		
Emergency Management Program Grant	12060-EHS99660-21881	<u>42,843</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		<u>22,308,778</u>
EXEMPT PROGRAMS		
OFFICE OF STATE COMPTROLLER:		
Municipal Revenue Sharing	12060-OPM20600-35458	757,216
Municipal Video Competition Trust Account	N/A	402,477
Mashantucket Pequot Grant	11000-OPM20600-16053	848,913
		<u>2,008,606</u>
DEPARTMENT OF EDUCATION:		
Lead Awareness Workshop	N/A	1,500
Education Cost Sharing	11000-SDE64370-17041	9,958,980
Transportation of School Children	11000-SDE64370-17027	66,206
Non-Public School Transportation	11000-SDE64370-17049	15,915
Special Education - Agency Placement	13010-SDE64370-40901	272,360
Special Education - Excess Costs	11000-SDE64730-17047	1,662,398
Special Education - Excess Cost - Student Based Supplement	11000-SDE64730-17047	73,850
		<u>12,051,209</u>
TOTAL EXEMPT PROGRAMS		<u>14,059,815</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 36,368,593</u>

N/A = Not Applicable.

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NORWALK, CONNECTICUT

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2013**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the City of Norwalk, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2013. 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. The financial assistance programs fund several programs including education, public works, social services, property tax relief and public safety.

Note 1. Summary of Significant Accounting Policies

The accounting policies of the City of Norwalk, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

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

Note 2. Loan Programs

In accordance with Section 426-23(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, 2013:

Department of Environmental Protection

Clean Water Funds 21044-OTI4230-4001

Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
\$ 41,504,384	\$ 21,797,845	\$ (22,704,087)	\$ 40,595,142

CITY OF NORWALK, CONNECTICUT

**SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's 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 auditor's 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 major programs included in the State Single Audit:

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education		
Family Resource Center	11000-SDE64000-16110	\$ 210,426
ECS - Alliance District Funding	11000-SDE64370-17041-82164	342,538
Magnet School - Operating	11000-SDE64370-17057	1,402,900
Magnet School - Transportation	11000-SDE64370-17057	345,737
Priority School District	11000-SDE64370-17043-82056	2,908,896
Office of Policy and Management		
Local Capital Improvement Program	11000-OPM20600-40254	628,837
Property Tax Relief - Elderly Circuit Breakers	11000-OPM20600-17018	470,633
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	1,555,260
Department of Environmental Protection		
Clean Water Fund- Grants and Loans	21044-OTI4230-4001	2,978,095
Department of Transportation		
Town Aid Road Grants	12001-DOT57131-17036	438,715
Closed Loop Traffic Signal System Installation	N/A	2,716,162
Department of Economic and Community Development		
Urban Act Grant-Waypointe Development	N/A	990,904

Dollar threshold used to distinguish between type A and type B programs \$ 446,176

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2013

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

**CITY OF NORWALK, CONNECTICUT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2013**

Finding SC12-1

Audit Finding:

We noted that the M-37 was filed after the deadline and on April 22nd. There was no waiver obtained for the late filing.

Corrective Action Taken:

The City filed the M-37 form on a timely basis in accordance with the requirements from the Office of Policy and Management.