

City of Norwalk, Connecticut

Federal and State Financial and Compliance Reports
Year Ended June 30, 2014

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
Summary of Prior Year Audit Findings	8

Reports 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>	9-10
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Report 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	11-13
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
Summary of Prior Year Audit Findings	20



**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, 2014. 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, 2014.

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, 2014, 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 24, 2014, 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 24, 2014

City of Norwalk, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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	\$ 291,018
National School Lunch Program	10.555	12060-SDE64370-20560	2,578,022
Total			<u>2,869,040</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	212,716
WIC Food Benefits Grants to State - Non Cash	10.557	N/A	1,265,234
Total			<u>1,477,950</u>
Total U.S. Department of Agriculture			<u>4,346,990</u>
U.S. Department of Housing and Urban Development			
Direct Program:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	<u>1,162,393</u>
U.S. Department of Justice			
Direct Program:			
Drug Seizure Fund	16.578	N/A	<u>86,178</u>
Police Overtime Reimbursements	16.xxx	N/A	<u>7,976</u>
Bullet Proof Vest Partnership Grant	16.607	N/A	<u>8,001</u>
COPS Technology Grant	16.710	N/A	<u>12,878</u>
Organized Crime Drug Enforcement Task Force	16.xxx	N/A	<u>21,265</u>
Youth Gang Prevention and Intervention Program	16.544	N/A	<u>33,254</u>
Norwalk JAG Local Pass-Through Project	16.738	N/A	<u>37,093</u>
Total U.S. Department of Justice			<u>206,645</u>

(Continued)

City of Norwalk, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

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 - 7/12-6/14	84.010A	12060-SDE64370-20679	\$ 646,569
Title I Grants to Local Education Agencies - 7/13-6/15	84.010A	12060-SDE64370-20679	1,659,231
Total			<u>2,305,800</u>
Career and Technical Education - Basic Grants to States	84.048A	12060-SDE64370-20742	<u>132,148</u>
Special Education Cluster:			
Special Education - Preschool Grants	84.173A	12060-SDE64370-20983	78,532
Special Education - Grants to States 7/12-6/14	84.027A	12060-SDE64370-20977	709,742
Special Education - Grants to States 7/13-6/15	84.027A	12060-SDE64370-20977	1,367,490
Total			<u>2,155,764</u>
English Language Acquisition Grants - 7/12-6/14	84.365A	12060-SDE64370-20868	64,277
English Language Acquisition Grants - 7/13-6/15	84.365A	12060-SDE64370-20868	134,048
Total			<u>198,325</u>
Improving Teacher Quality State Grants - 7/12-6/14	84.367A	12060-SDE64370-20858	255,350
Improving Teacher Quality State Grants - 7/13-6/15	84.367A	12060-SDE64370-20858	43,058
Total			<u>298,408</u>
Total U.S. Department of Education			<u>5,090,445</u>
U.S. Department of Homeland Security			
Direct Program:			
Assistance to Firefighters	97.044	N/A	20,839
Passed through the State of Connecticut			
Department of Emergency Services and Public Protection:			
Port Security Grant Program	97.056	12060-DPS32160-22327	114,358
Emergency Operations Center	97.052	12060-DPS32160-22396	292,671
Disaster Grants- Public Assistance	97.036	12060-DPS32990-21891	15,963
Total U.S. Department of Homeland Security			<u>443,831</u>

(Continued)

City of Norwalk, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

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	12060-DPH48664-20911	\$ 85,676
Preventive Health and Health Services Block Grant	93.991	12060-DPH48558-21530	16,258
Public Health Emergency Preparedness Grant	93.069	12060-DPH48558-22333	58,420
Total U.S. Department of Health and Human Services			<u>160,354</u>
Department of the Interior			
Refuge Revenue Sharing	99.000	N/A	<u>22,703</u>
Office of Early Childhood			
Head Start	93.600	12060-OEC64841-26155	<u>664,375</u>
U.S. Department of Transportation			
Passed through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction Cluster			
West Avenue Corridor Transportation Improvement Project	20.205	12062-DOT57161-22108	305,768
Reconstruction of Rowayton Avenue	20.205	12062-DOT57191-22108	637,778
Westmere Ave. Bridge over Farm Creek Project	20.205	12062-DOT57191-22108	370,478
Perry Ave. Bridge over Norwalk River	20.205	12062-DOT57191-22108	21,055
James St. Bridge over Silvermine River	20.205	12062-DOT57191-22108	11,113
Traffic Signal Upgrade - Phase 3	20.205	12062-DOT57161-22108	167,405
Total			<u>1,513,597</u>
Direct Program:			
Expanded DUI Enforcement Program	20.500	N/A	<u>50,941</u>
Total U.S Department of Transportation			<u>1,564,538</u>
Total Expenditures of Federal Awards			<u>\$ 13,662,274</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, 2014

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, 2014. 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 fund balance, changes in net position or cash flows of the City of Norwalk, Connecticut.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Contribution

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$268,063 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 \$1,265,234 represents the market value of such vouchers used during this period.

City of Norwalk, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014**

There were no findings in the prior 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, 2014, 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 24, 2014.

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 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.

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

New Haven, Connecticut
December 24, 2014



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, 2014. 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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Office of Policy and Management's *Compliance Supplement* and which are described in the accompanying schedule of findings and questioned costs as item 2014-01. Our opinion on each major program is not modified with respect to this matter.

The City of Norwalk, Connecticut's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Norwalk Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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, 2014, 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 24, 2014, 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.

McGladrey LLP

New Haven, Connecticut
December 24, 2014

City of Norwalk, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

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	\$ 1,268
Connecticard Payment	11000-CSL66051-17010	2,438
		<u>3,706</u>
Department of Education		
Family Resource Center	11000-SDE64370-16110	209,000
Adult Education	11000-SDE64370-17030	62,027
Non-Public Health Services	11000-SDE64370-17034	35,971
Bilingual Education	11000-SDE64370-17042	97,612
Priority School District	11000-SDE64370-17043-82052	4,168,201
Magnet School - Transportation	11000-SDE64370-17057	356,080
Youth Services Bureau	11000-SDE64370-17052	66,887
School Accountability - Summer School	11000-SDE64370-17043-82055	246,104
State School Breakfast	11000-SDE64370-17046	63,057
Child Nutrition State Matching Grant	11000-SDE64370-16211	50,013
Healthy Food Grant	11000-SDE64370-16212	101,797
Magnet School - Operating	11000-SDE64370-17057	1,341,880
Extended School Hours	11000-SDE64370-17043-82054	215,078
Youth Services Bureau - Enhancement	11000-SDE64370-16201	7,455
Low Performing Schools	12052-SDE64370-43539	183,516
Commissioner's Network	11000-SDE64370-12547	626,775
High Quality School Tech Fund Bond	12052-SDE64370-43538	152,476
ECS - Alliance District Funding	11000-SDE64370-17041-82164	469,461
		<u>8,453,390</u>
Office of Policy and Management		
Property Tax Relief - Elderly Circuit Breakers	11000-OPM20600-17018	476,287
Local Capital Improvement Program	12050-OPM20600-40254	632,242
Property Tax Relief - Private Colleges and Hospitals	11000-OPM20600-17004	333,955
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17006	1,465,920
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	16,000
Property Tax Relief for Veterans	11000-OPM20600-17024	3,139
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	107,886
Property Tax Relief - Disabled	11000-OPM20600-17011	2,269
Sandy Hook Elementary School	12060-OPM20350-22613	32,100
Municipal Grants-in-Aid	12052-OPM20600-43587	378,941
		<u>3,448,739</u>
Department of Agriculture		
Farmer's Market Program	N/A	<u>822</u>
Department of Social Services		
Norwalk Senior Center - Flooring Replacement	N/A	22,139
MMIS S PYMT	N/A	298
		<u>22,437</u>

(Continued)

City of Norwalk, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Transportation		
Town Aid Road Grants	13033-DOT57131-43459	\$ 883,599
Click it or Ticket	12062-DOT57513-22600	13,925
Closed Loop Traffic Signal System Installation	12062-DOT57161-22108	331,161
Reconstruction of Rowayton Avenue	N/A	159,444
Interstate 95 and US Route 1 Improvements	12062-DOT57191-22108	21,613
West Avenue Corridor Transportation Improvement Project	12062-DOT57161-22108	76,442
City of Norwalk's TOD Pilot Program Project	N/A	254,954
Safe Routes to School Program-Strawberry Hill Ave at Tierney St	12062-DOT57161-22108	285,332
		<u>2,026,470</u>
Department of Economic and Community Development		
Urban Act Grant-Waypointe Development	13019-ECD46440-41240	1,077,161
Brownfield Remediation and Development	12060-ECD46260-35533	498,638
		<u>1,575,799</u>
Department of Energy and Environmental Protection		
O&M of Norwalk Visitors Dock	12060-DEP43760-20954	5,598
Oyster Shell Park CUAP 2007-10	2009-9069	76,532
Low Level Nitrogen Levels	21014-DEP43720-40001	110,000
Removal of Flock Process Dam on the Norwalk River	State ID# 2011-11172	71,248
PEGPETIA Grant	12060-DEP44624-35363	173,356
		<u>436,734</u>
Judicial Department		
Littering Fines	34001-JUD95162-40001	225
Sandy Hook Elementary School	12060-JUD95810-22631	3,375
Motor Vehicle Violation Surcharge	34001-JUD95162-40001	55,450
Motor Vehicle Fines - Cell Phone	34001-JUD95162-40001	8,850
		<u>67,900</u>
Department of Emergency Services and Public Protection		
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	19,536
ICAC Grant Reimbursement	N/A	3,188
State 911 Enhancement	12060-DPS32181-35190	192,114
		<u>214,838</u>
Department of Revenue Services		
Payments to Municipalities - OTB	34003-DRS16442-18010	155,726
Department of Consumer Protection		
Bingo Payments	34003-DCP39930-42350	11
State Comptroller		
Nitrogen Credit Exchange Program	21016-OTT14230-42407	204,809

(Continued)

City of Norwalk, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor Pass-Through Grantor Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Public Health		
Lead Poisoning Prevention	11000-DPH48852-12126	\$ 20,412
Per Capita Grant	11000-DPH48558-17009	129,405
Venereal Disease Control	11000-DPH48665-17013	13,182
		<u>162,999</u>
Emergency Management and Homeland Security		
Emergency Management Program Grant	12060-EHS99660-21881	<u>41,901</u>
Office of Early Childhood		
School Readiness and Child Care Grant	11000-OEC64845-17101	4,146,146
School Readiness Quality Enhancement	11000-OEC64845-17097	50,282
Total Office of Early Childhood		<u>4,196,428</u>
Department of Housing		
Payment in Lieu of Taxes	11000-DOH46920-17008	<u>11,504</u>
Total State Financial Assistance Before Exempt Programs		<u>21,024,213</u>
Exempt Programs		
Office of Policy and Management		
Municipal Video Competition Trust Account	12060-OPM20600-35362	112,562
Mashantucket Pequot Grant	12009-OPM20600-17005	847,029
Total Office of State Comptroller		<u>959,591</u>
Department of Education		
Lead Awareness Workshop	N/A	2,000
Education Cost Sharing	11000-SDE64370-17041-82010	10,104,547
Transportation of School Children	11000-SDE64370-17027	62,836
Non-Public School Transportation	11000-SDE64370-17049	9,916
Special Education - Agency Placement	11000-SDE64730-17047	365,577
Special Education - Excess Costs	11000-SDE64730-17047	1,810,266
Total Department of Education		<u>12,355,142</u>
Department of Education		
School Construction Grants	13010-DCS28000-40901	<u>394,541</u>
Total Exempt Programs		<u>13,709,274</u>
Total State Financial Assistance		<u>\$ 34,733,487</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, 2014**

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, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance to the City of Norwalk 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 it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City of Norwalk, Connecticut.

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 following is a summary of the more significant policies relating to the aforementioned grant programs. 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, 2014:

Department of Energy and Environmental Protection

Clean Water Funds 21044-OTI4230-4001

Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
\$ 40,595,142	\$ -	\$ (4,924,200)	\$ 35,670,942

City of Norwalk, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs
For the Year Ended June 30, 2014**

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? X Yes 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		
Commissioner's Network	11000-SDE64370-12547	\$ 626,775
Priority School District	11000-SDE64370-17043-82052	4,168,201
Office of Policy and Management		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17006	1,465,920
Municipal Grants-In-Aid	12052-OPM20600-43587	378,941
Office of Early Childhood		
School Readiness and Child Care Grant	11000-OEC64840-17101	4,146,146
Department of Energy and Environmental Protection		
PEGPETIA Grant	12060-DEP44624-35363	173,356
Department of Economic and Community Development		
Brownfield Remediation and Development	12060-ECD46260-35533	498,638
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 420,484</u>

City of Norwalk, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

II. Financial Statement Findings

No matters were reported.

III. State Financial Assistance Findings and Questioned Costs

Finding No. 2014-01

Grantor: Connecticut Department of Energy and Environmental Protection
CORE-CT Number: 12060-DEP44624-35363
Program Name: PEGPETIA Grant

Criteria:

The City is required by the Connecticut Department of Energy and Environmental Protection to submit 3 different filings during the course of the grant program by specific dates.

Condition:

The City was delinquent in filing two of the three required reports.

Questioned Costs:

None noted.

Context:

The City was required to submit a report listing all the programs and classes generated by the grant program by December 10, 2013 as well as a final report detailing an overall account of the success of the grant by February 10, 2014. The City ultimately filed both of these reports together on April 22, 2014.

Effect:

No direct effect can be determined.

Cause:

There were delays in the installation of equipment that ultimately led to the delay in reporting as the City was not able to fully detail the classes, programs or success of the grant by the required dates.

Recommendation:

We recommend that in the future, the City contacts the applicable state department prior to a missed reporting deadline due to delays in work or installations. This will allow the City to request a formal change in deadline and show a good faith effort on behalf of the City.

Management Response and Planned Corrective Action:

Management is planning on implementing written procedures regarding grant compliance and will distribute these procedures to departments who administer grants to ensure compliance.

City of Norwalk, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014**

There were no findings in the prior year.