



**REPORT ON
SINGLE AUDIT**

2023

**FISCAL YEAR ENDED
JUNE 30, 2023**

**CITY OF NORFOLK, VIRGINIA
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**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 Members of the City Council
City of Norfolk, Virginia

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; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the Specifications), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Norfolk, Virginia (the City), as of and for the year ended June 30, 2023, 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 14, 2023. The City's financial statements include the operations of the Norfolk Economic Development Authority for the year ended June 30, 2023. This report does not include operations of this entity because this entity engaged for their own separate audit in accordance with *Government Auditing Standards*.

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

Honorable Members of City Council
City of Norfolk, Virginia

Report on 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 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

Arlington, Virginia
December 14, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the City Council
City of Norfolk, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Norfolk, Virginia's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 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 federal program. Our audit does not provide a legal determination of the City'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's federal 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'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 Uniform Guidance 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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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'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'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City'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 federal 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 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.

The Honorable Members of City Council
City of Norfolk, Virginia

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon, dated December 14, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Arlington, Virginia
March 18, 2024

CITY OF NORFOLK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Entity/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (\$)</u>	<u>Loans (\$)</u>	<u>Clusters Total (\$)</u>	<u>Program Total (\$)</u>	<u>Passed Through to Sub-Recipients (\$)</u>
DEPARTMENT OF AGRICULTURE							
<u>Pass-through Payments:</u>							
Virginia Department of Education							
School Breakfast Program (Child Nutrition Cluster)	10.553		5,260,909				
National School Lunch Program (Child Nutrition Cluster)	10.555		13,506,426				
Special Milk Program for Children (Child Nutrition Cluster)	10.556		1,676,847				
Child and Adult Care Food Program	10.558		869,362				
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559		447,486				
Fresh Fruit and Vegetable Program (Child Nutrition Cluster)	10.582		755,927				
Virginia Department of Social Services							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010123, 0030123, 0040123, 0050123	5,850,107		5,850,107		
<i>Total for Child Nutrition Cluster (10.553, 10.555, 10.556, 10.559 and 10.582)</i>					21,647,595		
Department of Commerce							
<u>Direct Payments:</u>							
Economic Adjustment Assistance (Economic Development Cluster)	11.307		534,048	448,541	534,048		534,048
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
<u>Direct Payments:</u>							
Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster)	14.218		5,464,759		5,464,759		725,724
Emergency Solutions Grant Program	14.231		445,930				268,855
Shelter Plus Care	14.238		577,625				
Home Investment Partnerships Program	14.239		1,189,014				864,534
Choice Neighborhoods Implementation Grants (HOPE VI Cluster)	14.889		1,868,620		1,868,620		
<u>Pass-through Payments:</u>							
Virginia Department of Housing and Community Development							
National Resilient Disaster Recovery Competition (CDBG - Disaster Recovery Grants-Pub. L. No. 113-2 Cluster)	14.272	B-13-DS-51-0001	11,073,044		11,073,044		
DEPARTMENT OF INTERIOR							
<u>Pass-through Payments:</u>							
National Fish and Wildlife Foundation (NFWF)							
NFWF-USFWS Conservation Partnership	15.663		203,342				
Virginia Department of Historic Resources							
Historic Preservation Fund Grants-In-Aid	15.904	120791, 117447	69,351				
DEPARTMENT OF JUSTICE							
<u>Direct Payments:</u>							
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528		10,757				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		62,676				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		166,131				
Second Chance Act Reentry Initiative	16.812		102,289				
Children of Incarcerated Parents	16.831		26,946				
Equitable Sharing Program	16.922		47,808				
<u>Pass-through Payments:</u>							
Virginia Department of Criminal Justice Services							
COVID-19: Coronavirus Emergency Supplemental Funding Program	16.034	8825	7,774				
Community-Based Violence Prevention Program	16.123	22-A8700YG22	15,000				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	9041	51,653				
Crime Victim Assistance	16.575	22-C4071VP20, 23-O1185VW19	459,935				
Violence Against Women Formula Grants	16.588	22-Z9223VA21, 23-A9223VA21	76,625				
Residential Substance Abuse Treatment for State Prisoners	16.593	496848	147,600				
Office of the Attorney General							
Services for Trafficking Victims	16.320	OVC-2020-18392	651				
Virginia Association of Chiefs of Police							
Project Safe Neighborhoods	16.609		272				
DEPARTMENT OF TRANSPORTATION							
<u>Pass-through Payments:</u>							
Virginia Department of Transportation							
Highway Planning and Construction	20.205	UPC: 102950, 105592, 108797, 109568, 112758, 112759, 113509, 113465, 113866, 113748, 113746, 111023, 117038, 111021, 113750, 111019, 113751, 117320	3,711,679				

CITY OF NORFOLK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Entity/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Clusters Total (\$)	Program Total (\$)	Passed Through to Sub-Recipients (\$)	
Virginia Department of Motor Vehicles								
State and Community Highway Safety (Highway Safety Cluster)	20.600	FOP-2022-52159-22159, FSC-2022-52152-22152 BOP-2023-53117-23117 BSC-2023-53123-23123	34,839			34,839		
Alcohol Open Container Requirements	20.607	154AL-2022-52023-22023, ENF AL-2023-53122-23122	13,207					
DEPARTMENT OF THE TREASURY								
Direct Payments:								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027		63,720,000					
Pass-through Payments:								
Virginia Department of Housing and Community Development								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027		15,193					
Virginia Department of Behavioral Health and Developmental Services								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027		90,978					
Virginia Department of Criminal Justice Services								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027	22-A4071ARRF, 504297, 494603	791,137					
Virginia Tourism Commission								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027		530,648				530,648	
Virginia Department of Education								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027	SLFRP1026	2,892,286					
Virginia Department of Social Services								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1	21.027	9122222	6,126					
1 - Total for Coronavirus State and Local Fiscal Recovery Funds (21.027)						68,046,368		
NATIONAL ENDOWMENT FOR THE HUMANITIES								
Direct Payments:								
Promotion of the Arts - Grants to Organizations and Individuals	45.024		2,222					
Pass-through Payments:								
Library of Virginia								
Grants to States	45.310	LS-250242-OLS-21	26,795					
ENVIRONMENTAL PROTECTION AGENCY								
Direct Payments:								
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		36,785					
Pass-through Payments:								
Virginia Department of Environmental Quality								
Congressionally Mandated Projects	66.202	CG-953112-01-0	3,584,183					
Virginia Resources Authority								
Capitalization Grants for Clean Water State Revolving Funds (Clean Water State Revolving Fund Cluster)	66.458	C-515769, C-515646-01 C-515664-01, C-515679G C-515721	8,132,358		8,132,358			
National Fish and Wildlife Foundation								
Chesapeake Bay Program	66.466	0603.19.065939	73,435					
DEPARTMENT OF ENERGY								
Pass-through Payments:								
Southeastern Energy Efficiency Alliance								
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	2020-SEEA-126	12,451					
DEPARTMENT OF EDUCATION								
Direct Payments:								
Impact Aid	84.041		4,242,449					
Pass-through Payments:								
Virginia Department of Education								
Adult Education - Basic Grants to States	84.002	V002A210047	233,526					
Title I Grants to Local Educational Agencies	84.010	S010A210046	16,346,766					
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	S013A200046	242,623					
Special Education - Grants to States (Special Education Cluster)	84.027	H027A210107	7,921,600					
Career and Technical Education - Basic Grants to States	84.048	V048A210046	962,732					
Special Education - Preschool Grants (Special Education Cluster)	84.173	H173A210112, H027X210107	273,929					
Twenty-First Century Community Learning Centers	84.287	S287C210047	992,254					

CITY OF NORFOLK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Entity/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (\$)</u>	<u>Clusters Total (\$)</u>	<u>Program Total (\$)</u>	<u>Passed Through to Sub-Recipients (\$)</u>
English Language Acquisition State Grants	84.365	S365A200046	164,147			
Improving Teacher Quality State Grants	84.367	S365A210046	2,370,084			
School Improvement Grants	84.377	S377A160047	89,598			
Student Support and Academic Enrichment Program	84.424	S424A210048	452,897			
COVID-19: Education Stabilization Fund - ESSER I and II - 2	84.425D	S425D200008, S425D210008	28,181,324			
COVID-19: Education Stabilization Fund ARP ESSER - 2	84.425U	S425U210008	33,983,230			
<i>2 - Total for Education Stabilization Fund (84.425)</i>					62,164,554	
Virginia Department of Behavioral Health and Developmental Services						
Special Education - Grants for Infants and Families	84.181		400,493			
<i>Total for Special Education Cluster (84.027 and 84.173)</i>				8,195,529		
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<u>Direct Payments:</u>						
HIV Emergency Relief Project Grants	93.914		5,594,924			4,729,818
<u>Pass-through Payments:</u>						
Virginia Department of Social Services						
Guardianship Assistance	93.090	1110123	1,404			
Title IV-E Prevention and Family Services and Programs (A)	93.472	1140123	50,815			
Promoting Safe and Stable Families	93.556	0950122, 0960122	165,189			
Temporary Assistance for Needy Families	93.558	400123	3,449,985			
Refugee and Entrant Assistance - State Administered Programs	93.566	500123	35,420			
Low-Income Home Energy Assistance	93.568	600423	670,945			
Child Care and Development Block Grant (CCD Fund Cluster)	93.575	0770121, 0773121	61,107			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCD Fund Cluster)	93.596	0760123	763,204			
Chaffe Education and Training Vouchers Program (ETV)	93.599	9160122	4,639			
Adoption Incentive Payments	93.603	1130120	1,498			
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900122	5,255			
Foster Care - Title IV-E	93.658	1100123	2,112,903			
Adoption Assistance	93.659	1120123	3,231,532			
Social Services Block Grant	93.667	1000123	2,729,478			
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122	57,488			
Elder Abuse Prevention Interventions Program	93.747	8000221, 80000321	65,088			
Children's Health Insurance Program	93.767	540123	30,245			
Medical Assistance Program (Medicaid Cluster)	93.778	1200123	3,086,485	3,086,485		
Virginia Department of Behavioral Health and Developmental Services						
Projects for Assistance in Transition from Homelessness (PATH)	93.150		102,011			
Opioid STR	93.788		532,407			
COVID-19: Block Grants for Community Mental Health Services	93.958		44,516			
Block Grants for Community Mental Health Services	93.958		96,214			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		2,177,499			
<i>Total for CCDF Cluster (93.575 and 93.596)</i>				824,311		
DEPARTMENT OF HOMELAND SECURITY						
<u>Direct Payments:</u>						
Port Security Grant Program	97.056		296,362			
<u>Pass-through Payments:</u>						
Virginia Department of Emergency Management						
Flood Mitigation Assistance	97.029	FMA-PJ-03-VA-2016-005, FMA-PJ-03-VA-2018-001	339,573			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FMA-PJ-03-VA-2018-003	291,361			
Emergency Management Performance Grants	97.042	FEMA-4512-DR-VA	117,114			
Homeland Security Grant Program	97.067	8544, 29, EMW-2021-SS-00034	136,197			
TOTAL FEDERAL EXPENDITURES			\$ 257,751,746	\$ 448,541		\$ 7,653,627

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

For the Year Ending June 30, 2023

1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the City. The City of Norfolk single audit reporting entity includes the primary government and the Norfolk School Board component unit.

Federal awards not received through direct programs are passed through the departments and agencies of the Commonwealth of Virginia.

2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred or measurable. The related revenue is reported net of unexpended amounts returned to grantors.

3. Relationship to the Basic Financial Statements

Federal revenue is reported in the City's basic financial statements as follows:

Major governmental funds	\$ 109,820,705
Nonmajor governmental funds	14,665,999
Enterprise funds	4,196,918
Total revenues from federal government	<u>128,683,622</u>

Component Unit - School Board

Federal revenue	126,099,165
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Total federal financial assistance reported in basic financial statements

\$ 254,782,787

Federal awards not reported as federal revenue in
basic financial statements:

Enterprise - VRA Loan - Wastewater Fund & Storm Water Fund	8,132,358
CDBG	1,875,709
Shelter Plus Care	3,590
Special Education - Grants for Infants and Families	108,652
Revolving Loan Fund	534,048

Federal awards not reported on the SEFA:

Norfolk Public Schools Direct Payments	(1,147,192)
Build America Bond Interest Rate Subsidy	(1,890,161)
Enterprise Recovered Costs	(612,735)
Human Services - Youth Service Board - Detention	(124,923)
Other	(854,040)

Other reconciling items:

Norfolk Public Schools Indirect Costs	(3,056,347)
Total federal awards	<u>\$ 257,751,746</u>

CITY OF NORFOLK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

4. Clusters

Clustered programs for the year ended June 30, 2023, were as follows:

Grant Program / Cluster	Number	Expenditures
School Breakfast Program	10.553	\$ 5,260,909
National School Lunch Program	10.555	13,506,426
Special Milk Program for Children	10.556	1,676,847
Summer Food Service Program for Children	10.559	447,486
Fresh Fruit and Vegetable Program	10.582	755,927
Total Child Nutrition Cluster		\$ 21,647,595
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 5,850,107
Total SNAP Cluster		\$ 5,850,107
Economic Adjustment Assistance	11.307	\$ 534,048
Total Economic Development Cluster		\$ 534,048
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	\$ 5,464,759
Total CDBG Entitlement Grants Cluster		\$ 5,464,759
National Disaster Resilience Competition	14.272	\$ 11,073,044
Total CDBG - Disaster Recovery Grants- Pub. L. No. 113-2 Cluster		\$ 11,073,044
Choice Neighborhoods Implementation Grants	14.889	\$ 1,868,620
Total HOPE VI Cluster		\$ 1,868,620
State and Community Highway Safety	20.600	\$ 34,839
Total Highway Safety Cluster		\$ 34,839
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 8,132,358
Total Clean Water State Revolving Fund Cluster		\$ 8,132,358
Special Education - Grants to States	84.027	\$ 7,921,600
Special Education - Preschool Grants	84.173	273,929
Total Special Education Cluster		\$ 8,195,529
Payments to States for Child Care Assistance	93.575	61,107
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)	93.596	763,204
Total CCDF Cluster		\$ 824,311
Medical Assistance Program - Administrative	93.778	\$ 3,086,485
Total Medicaid Cluster		\$ 3,086,485

CITY OF NORFOLK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

5. Virginia Resources Authority (VRA) Loans

The City reports on the Schedule of Federal Awards, loan proceeds drawn from the VRA. The loans are a pass-through award from the U.S. Environmental Protection Agency and administered by the Virginia Department of Environmental Quality. The balances at June 30, 2023 are as follows:

	June 30, 2022	FY 2023 Disbursements		June 30, 2023 Balances		
	Loan Proceeds Remaining	Loans	Principal Forgiveness	Total Loan Proceeds	Principal Forgiveness	Loan Proceeds Remaining
C-515565GE-02	\$ 262,824	\$ -	\$ -	\$ 2,142,967	\$ -	\$ -
C-515646E-01	1,212,214	1,212,214	77,375	9,400,000	600,000	-
C-515664E	7,099,997	3,860,391	203,178	5,305,624	279,397	3,239,606
C-515711-01	-	1,363,569	72,568	1,363,569	72,568	4,333,251
TOTALS	\$ 8,575,035	\$ 6,436,174	\$ 353,121	\$ 28,212,160	\$ 951,965	\$ 7,572,857

6. Indirect Cost Rate

For the fiscal year 2023, the City did not use the 10 percent de minimis cost rate for indirect cost billings to federal grants where an indirect cost is permitted. The City develops an indirect cost rate with the cost allocation plan that is used by the Department of Human Services for indirect cost billings.

7. Economic Adjustment Assistance - Revolving Loan Funds (RLF)

The City was awarded an Economic Development Administration RLF in FY21 in the amount of \$549,900 to provide permanent resources to support economic resiliency. All loans were reported in FY23. The calculation for the federal awards expended is displayed in the tables below:

Federal Awards Expended at June 30, 2023

RLF loans outstanding	\$ 448,541
+ Cash and investment balance in RLF	85,507
+ Administrative expenses paid from RLF income during FY23	-
+ Unpaid principal of all loans written off during FY23	-
Total	\$ 534,048
x Federal Share of the RLF	1.00
Federal Awards Expended	\$ 534,048

CITY OF NORFOLK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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	<input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified?	_____	yes	<input checked="" type="checkbox"/> none reported
3. Noncompliance material to financial statements noted?	_____	yes	<input checked="" type="checkbox"/> no

Federal Awards

1. Internal control over major federal programs:			
• Material weakness(es) identified?	_____	yes	<input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified?	_____	yes	<input checked="" type="checkbox"/> none reported
2. Type of auditors' report issued on compliance for major federal programs:	Unmodified		
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	<input checked="" type="checkbox"/> no

Identification of Major Federal Programs

AL Numbers

21.027

66.202

84.010

84.041

84.425

93.558

93.778

Name of Federal Program or Cluster

COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

EPA Community Grant

Title I Part A – Improving Basic Programs

Impact Aid

COVID 19 - Education Stabilization Fund

Temporary Assistance for Needy Families (TANF)

Medical Assistance Program (Medicaid Cluster)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

yes _____ no

CITY OF NORFOLK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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 – MAJOR FEDERAL PROGRAMS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

SECTION IV – FINDINGS AND QUESTIONED COSTS – COMMONWEALTH OF VIRGINIA

Our audit did not disclose any matters required to be disclosed in accordance with *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.



City of Norfolk
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A publication of the City of Norfolk, Virginia