

**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.

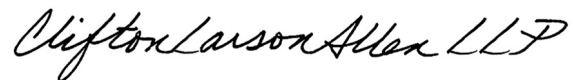
Honorable Members of City Council
City of Norfolk, Virginia

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

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.

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

| 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 (\$) |
|--|---------------------------|---|---------------------------|------------|---------------------|--------------------|---------------------------------------|
| 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 | | | | | | | |
| <u>Direct Payments:</u> COVID-19: Coronavirus State and Local Fiscal Recovery Funds - 1 | 21.027 | | 63,720,000 | | | | |
| <u>Pass-through Payments:</u> 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 | | | | | | | |
| <u>Direct Payments:</u> Promotion of the Arts - Grants to Organizations and Individuals | 45.024 | | 2,222 | | | | |
| <u>Pass-through Payments:</u> Library of Virginia Grants to States | 45.310 | LS-250242-OLS-21 | 26,795 | | | | |
| ENVIRONMENTAL PROTECTION AGENCY | | | | | | | |
| <u>Direct Payments:</u> Brownfields Assessment and Cleanup Cooperative Agreements | 66.818 | | 36,785 | | | | |
| <u>Pass-through Payments:</u> 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 | | | | | | | |
| <u>Pass-through Payments:</u> Southeastern Energy Efficiency Alliance Energy Efficiency and Conservation Block Grant Program (EECBG) | 81.128 | 2020-SEEA-126 | 12,451 | | | | |
| DEPARTMENT OF EDUCATION | | | | | | | |
| <u>Direct Payments:</u> Impact Aid | 84.041 | | 4,242,449 | | | | |
| <u>Pass-through Payments:</u> 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

| 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 (\$) |
|---|---------------------------------|---|---------------------------------|-------------------|------------------------|-----------------------|--|
| 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 | | | | |
| Chafee 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 FMA-PJ-03-VA-2018-003 | 339,573 | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FEMA-4512-DR-VA | 291,361 | | | | |
| Emergency Management Performance Grants | 97.042 | | 117,114 | | | | |
| Homeland Security Grant Program | 97.067 | 8544, 29, EMW-2021-SS-00034 | 136,197 | | | | |
| TOTAL FEDERAL EXPENDITURES | | | <u>\$ 257,751,746</u> | <u>\$ 448,541</u> | | <u>\$ 7,653,627</u> | |

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 |
|-----------------|-------------|

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><u>\$ 257,751,746</u></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 | | <u><u>\$ 21,647,595</u></u> |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | \$ 5,850,107 |
| Total SNAP Cluster | | <u><u>\$ 5,850,107</u></u> |
| Economic Adjustment Assistance | 11.307 | \$ 534,048 |
| Total Economic Development Cluster | | <u><u>\$ 534,048</u></u> |
| Community Development Block Grants/Entitlement Grants (CDBG) | 14.218 | \$ 5,464,759 |
| Total CDBG Entitlement Grants Cluster | | <u><u>\$ 5,464,759</u></u> |
| National Disaster Resilience Competition | 14.272 | \$ 11,073,044 |
| Total CDBG - Disaster Recovery Grants- Pub. L. No. 113-2 Cluster | | <u><u>\$ 11,073,044</u></u> |
| Choice Neighborhoods Implementation Grants | 14.889 | \$ 1,868,620 |
| Total HOPE VI Cluster | | <u><u>\$ 1,868,620</u></u> |
| State and Community Highway Safety | 20.600 | \$ 34,839 |
| Total Highway Safety Cluster | | <u><u>\$ 34,839</u></u> |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | \$ 8,132,358 |
| Total Clean Water State Revolving Fund Cluster | | <u><u>\$ 8,132,358</u></u> |
| Special Education - Grants to States | 84.027 | \$ 7,921,600 |
| Special Education - Preschool Grants | 84.173 | 273,929 |
| Total Special Education Cluster | | <u><u>\$ 8,195,529</u></u> |
| 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 | | <u><u>\$ 824,311</u></u> |
| Medical Assistance Program - Administrative | 93.778 | \$ 3,086,485 |
| Total Medicaid Cluster | | <u><u>\$ 3,086,485</u></u> |

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 x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

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

 x 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.

An aerial photograph of Norfolk, Virginia, taken at sunset. The sky is a vibrant orange and yellow, with soft clouds. The city's skyline is visible, featuring a mix of modern glass skyscrapers and older brick buildings. In the foreground, the city's waterfront is prominent, with several large, modern buildings, including a prominent blue one with a curved roof. A large, circular park area with many white tents and a large crowd of people is situated near the water. A blue and white ferry boat is docked at a pier in the foreground. The overall scene is a mix of urban development and waterfront recreation.

THE CITY OF **NORFOLK**

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