

## **CITY OF STAMFORD, CONNECTICUT**

### **STATE SINGLE AUDIT REPORT**

**JUNE 30, 2015**

**CITY OF STAMFORD, CONNECTICUT  
STATE SINGLE AUDIT REPORT  
JUNE 30, 2015  
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**Independent Auditors' Report on Compliance for Each Major State Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of State Financial Assistance Required by the State Single Audit Act**

To the Members of the Board of Finance  
City of Stamford, Connecticut

**Report on Compliance for Each Major State Program**

We have audited the City of Stamford, Connecticut's 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 of Stamford, Connecticut's major state programs for the year ended June 30, 2015. The City of Stamford, Connecticut's major state programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

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

### ***Opinion on Each Major State Program***

In our opinion, the City of Stamford, Connecticut, 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, 2015.

### ***Report on Internal Control over Compliance***

Management of the City of Stamford, Connecticut, 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 of Stamford, Connecticut'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 of Stamford, Connecticut'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 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stamford, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Stamford, Connecticut's basic financial statements. We issued our report thereon dated December 31, 2015, 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.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 31, 2015

**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Department of Economic and Community Development</b>		
Payment In Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	\$ <u>237,929</u>
<b>Department of Housing</b>		
Tax Abatement	11000-DOH46000-17008	<u>430,338</u>
<b>Department of Education</b>		
Technical Support for Assessment Projects	11000-SDE64000-12171	7,500
Youth Services Bureau - Enhancement	11000-SDE84000-16201	9,874
Child Nutrition State Matching Grant	11000-SDE64000-16211	61,417
Vocational Agriculture	11000-SDE64000-17017	328,152
Adult Education	11000-SDE64000-17030	297,113
Health Services	11000-SDE64000-17034	545,423
Educational Cost Sharing - Alliance District Funding	11000-SDE64000-17041-82164	3,178,291
Bilingual Education	11000-SDE64000-17042	146,560
Priority School Districts	11000-SDE64000-17043-82052	3,013,762
Extended School Hours Program Grant	11000-SDE64000-17043-82054	294,433
Summer School Accountability Grant	11000-SDE64000-17043-82055	341,895
Interdistrict Cooperative Grant	11000-SDE64000-17045	58,536
School Breakfast	11000-SDE64000-17046	64,620
Youth Services Bureau	11000-SDE64000-17052	60,783
Magnet School Transportation	11000-SDE64000-17057-82061	227,020

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**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Magnet School Operating	11000-SDE64000-17057-82062	\$ 5,743,810
After School Program	11000-SDE64000-17084	452,679
Common Core	11000-SDE64370-12566	1,000
Regional Vocational Technical School	11000-SDE64339-12519	<u>720</u>
Total Department of Education		<u>14,833,588</u>
<b>Office of Early Childhood</b>		
School Readiness Quality Enhancement	11000-OEC64000-17097	65,335
Child Day Care (CDC)	11000-OEC64000-12520	1,001,975
School Readiness	11000-OEC64845-17101	<u>4,081,282</u>
Total Office of Early Childhood		<u>5,148,592</u>
<b>Department of Energy and Environmental Protection</b>		
Grant/Loan/Municipal Land/Park/Recreation/Water Quality	12052-DEP43153-40519	41,029
Electric Vehicle (EV) Charging Station Reimbursement Program	12060-DEP43540-12490	<u>9,250</u>
Total Department of Energy and Environmental Protection		<u>50,279</u>
<b>Judicial Branch</b>		
Non-Budgeted Operating Appropriation	34001-JUD95162-4001	101,310
<i>Passed Through CT Youth Association:</i> Restorative Justice	11000-JUD96114-xxxxx-xxx	<u>17,000</u>
Total Judicial Branch		<u>118,310</u>
<b>Connecticut State Library</b>		
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>10,239</u>

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**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Department of Mental Health and Addiction Services</b>		
Grants for Substance Abuse Services	11000-MHA53000-16003	\$ 1,845
Tobacco and Health Trust Fund	12060-MHA53283-35547	<u>31,846</u>
Total Department of Mental Health and Addiction Services		<u>33,691</u>
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	1,510,039
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	1,963,214
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	2,868
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	2,300,340
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	331,757
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	2,000
Property Tax Relief for Veterans	11000-OPM20600-17024	60,209
Local Capital Improvement Program	12050-OPM20600-40254	821,608
Municipal Grants-In-Aid	12052-OPM20600-43587	<u>391,381</u>
Total Office of Policy and Management		<u>7,383,416</u>
<b>Department of Public Health</b>		
Children's Health Initiatives	11000-DPH48500-12126	25,031
"AIDS" Services	11000-DPH48500-12236	142,457
Tuberculosis Control and Prevention	11000-DPH48500-16112	59,970

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**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Local and District Departments of Health	11000-DPH48500-17009	\$ 184,461
Sexually Transmitted Disease Control	11000-DPH48500-17013	68,722
Through AIDS Project of Greater Danbury	11000-DPH48852-12236	<u>42,783</u>
Total Department of Public Health		<u>523,424</u>
<b>Department of Emergency Services and Public Protection</b>		
Telecommunications Fund	12060-DPS32740-35190	277,992
Fire Training Schools - Stamford	11000-DPS32251-1679	<u>10,108</u>
Total Department of Emergency Services and Public Protection		<u>288,100</u>
<b>Department of Social Services</b>		
Medicaid	11000-DSS60000-16020	635,321
Neighborhood Facilities (NF)	12052-DSS60783-43451	1,430,000
Community Services	11000-DSS60783-17083	6,438
Community Services	11000-DSS60783-16160	<u>675</u>
Total Department of Social Services		<u>2,072,434</u>
<b>Department of Transportation</b>		
Town Aid Road Grants - Municipal	12052-DOT57000-43455	1,204,261
Local Road & Bridge Project	13033-DOT57191-43456	551,257
Bus Operations	12001-DOT57931-12175	75,490
Transit Oriented Development	120052-DOT57343-43313	<u>195,654</u>
Total Department of Transportation		<u>2,026,662</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>33,157,002</u>

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**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
<b>Exempt Programs</b>		
<b>Office of Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ <u>925,415</u>
<b>Department of Education</b>		
Public School Transportation	11000-SDE64000-17027	95,896
Educational Cost Sharing	11000-SDE64000-17041-82010	8,120,437
Excess Costs Student Based and Equity	11000-SDE64000-17047	4,350,752
Education Cost Sharing - Charter Schools	11000-SDE64000-17041-84179	2,860,000
Nonpublic School Transportation	11000-SDE64000-17049	<u>70,551</u>
Total Department of Education		<u>15,497,636</u>
<b>Department of Administrative Services</b>		
School Construction Grants	13009-DAS27636-40896	64,768
School Construction Grants	13010-DAS27636-40901	<u>1,972,659</u>
Total Department of Administrative Services		<u>2,037,427</u>
Total Exempt Programs		<u>18,460,478</u>
<b>Total State Financial Assistance</b>		<b>\$ <u>51,617,480</u></b>

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT  
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2015**

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Stamford, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the City of Stamford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the City of Stamford, Connecticut.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Stamford, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

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

**NOTE 3 - LOAN PROGRAMS**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2015:

Department of Environmental Protection:

Clean Water Funds:

<u>Loan Reference</u>	<u>Balance Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Ending</u>
117-C	\$ 56,901	\$	\$ 56,901	\$ -
375-C	111,636		43,214	68,422
414-D	1,214,415		192,427	1,021,988
414-D	44,241,576		3,571,882	40,669,694
	<u>\$ 45,624,528</u>	<u>\$ -</u>	<u>\$ 3,864,424</u>	<u>\$ 41,760,104</u>



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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***

To the Members of the Board of Finance  
City of Stamford, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stamford, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Stamford, Connecticut's basic financial statements, and have issued our report thereon dated December 31, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Stamford, Connecticut'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 of Stamford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Stamford, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 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 of Stamford, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 result of that testing, and not to provide an opinion on the effectiveness of the City of Stamford, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Stamford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 31, 2015

**CITY OF STAMFORD, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' 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 auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ yes        X   no

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Educational Cost Sharing - Alliance		
District Funding	11000-SDE64000-17041-82164	\$ 3,178,291
Priority School Districts	11000-SDE64000-17043-82052	3,013,762
Magnet Schools	11000-SDE64000-17057-82062	5,743,810
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	1,510,039
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	1,963,214
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	2,300,340
Local Capital Improvement Program	12050-OPM20600-40254	821,608
Department of Social Services:		
Neighborhood Facilities (NF)	12052-DSS60783-43451	1,430,000
Department of Transportation:		
Town Aid Road - Municipal	12052-DOT57000-43455	1,204,261
Local Road and Bridges Project	13033-DOT57191-43456	554,973
Dollar threshold used to distinguish between type A and type B programs:		\$ 663,140

## **II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

## **III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No matters were reported.