

CITY OF STAMFORD, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2018

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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the City of Stamford, Connecticut's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Stamford, Connecticut's major federal programs for the year ended June 30, 2018. The City of Stamford, Connecticut's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Stamford, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City 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 federal program. However, our audit does not provide a legal determination of the City of Stamford, Connecticut's compliance.

Opinion on Each Major Federal 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 federal programs for the year ended June 30, 2018.

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 federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 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 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 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, 2018, 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 January 31, 2019, 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 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
January 31, 2019

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
United States Department of Agriculture				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 4,021,928	
School Breakfast Program	10.553	12060-SDE64370-20508	861,249	
				\$ 4,883,177
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12060-DPH48872-20892	\$ 231,302	903,477
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Non-cash		2,335,013
				3,238,490
<i>Passed Through the State of Connecticut Department of Education:</i>				
Child and Adult Care Food Program	10.558	12060-SDE64370-20518		121,662
Total United States Department of Agriculture			231,302	8,243,329
United States Department of Transportation				
<i>Direct:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600			18,785
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
State and Community Highway Safety	20.600	12062-DOT57513-20559		28,414
National Priority Safety Programs	20.616	12062-DOT57513-22600		29,615
				76,814
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57161-22108		527,339
Highway Planning and Construction	20.205	12062-DOT57191-22108		44,766
				572,105
<i>Direct:</i>				
Federal Transit Cluster:				
Federal Transit_Capital Investment Grants	20.500		4,740,734	
Federal Transit_Formula Grants	20.507		7,333	
				4,748,067
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		81,330
Total United States Department of Transportation				5,478,316
United States Department of Health and Human Services				
<i>Direct:</i>				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044			1,393
<i>Passed Through the Yale New Haven Hospital:</i>				
Public Health Emergency Preparedness	93.069	12060-DPH48557-22333		89,036

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48558-22664		\$ 22,305
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911	\$ 91,407	
Immunization Cooperative Agreements	93.268	Non-cash	63,006	154,413
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	93.539	12060-DPH48664-22742		74,039
Grants to States to Support Oral Health Workforce Activities	93.236	12060-DPH48834-22740		54,507
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
Social Services Block Grant	93.667	12060-OEC64841-22668	\$ 219,537	219,537
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Vaccines - Federal	93.712	Non-cash		4,131
Total United States Department of Health and Human Services			219,537	619,361
United States Department of Homeland Security				
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>				
Homeland Security Grant Program	97.067	12060-DPS32160-21877		482,868
Emergency Management Performance Grants	97.042	12060-DPS32160-21881		63,228
Total United States Department of Homeland Security				546,096
United States Department of Education				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education_Grants to States	84.027	12060-SDE64370-20977-2018	3,595,547	
Special Education_Grants to States	84.027	12060-SDE64370-20977-2017	263,584	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2018	89,308	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2017	4,128	3,952,567
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2018	1,831,870	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2017	1,319,814	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2017	79,539	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2016	142,726	3,373,949

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<i>Passed Through the State of Connecticut Department of Education:</i>				
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2018		\$ 206,717
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2017		10,000
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2018		143,000
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2018	\$ 443,053	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2017	130,471	573,524
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2018	496,114	
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2017	71,767	567,881
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2018	21,773	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2017	103,886	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2018	261,372	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2017	95,724	482,755
Title IV - Student Support	84.424	12060-SDE64370-22854-2018		12,742
Total United States Department of Education				9,323,135
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster: Community Development Block Grants/ Entitlement Grants	14.218		\$ 142,537	451,592
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster: Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269			193,088
Home Investment Partnerships Program	14.239		120,000	696,711
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228			15,375
Total United States Department of Housing and Urban Development			262,537	1,356,766
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			306,577
United States Department of Commerce				
<i>Direct:</i>				
Economic Development Cluster: Economic Adjustment Assistance	11.307			643,363
Band 14 Incumbent Spectrum Relocation	11.014			15,870
Total United States Department of Commerce				659,233
Total Federal Awards			\$ 713,376	\$ 26,532,813

**CITY OF STAMFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Stamford, Connecticut, under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the 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).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. NONCASH AWARDS

Donated commodities in the amount of \$387,967 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. The amount represents the market value of commodities received.

Donated commodities in the amount of \$2,335,013 are included in the Department of Agriculture's Special Supplemental Nutrition Program for Women, Infants, and Children, CFDA #10.557. The amount represents the market value of commodities received.

Donated vaccines in the amount of \$63,006 are included in the Department of Public Health's Immunization Grant Program, CFDA #93.268. The amount represents the market value of vaccines received.

Donated vaccines in the amount of \$4,131 are included in the Department of Public Health's Immunization Grant Program, CFDA #93.712. The amount represents the market value of vaccines received.

4. INDIRECT COST RECOVERY

The City of Stamford, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

**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, 2018, 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 28, 2018.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City 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 results 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 28, 2018

**CITY OF STAMFORD, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2018**

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

Federal Awards

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 2 CFR Section 200.516(a)? _____ yes X no

Major programs:

CFDA #	Name of Federal Program or Cluster
10.557 84.027/84.173	Special Supplemental Nutrition Program for Women, Infants, and Children Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs: \$795,984

Auditee qualified as low-risk auditee? X yes _____ no

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.