

CITY OF STAMFORD, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2019

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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, 2019. 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, 2019

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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-02, that we consider to be significant deficiencies.

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

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, 2019, 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 30, 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
March 11, 2020

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<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	\$ 4,105,187	
School Breakfast Program	10.553	12060-SDE64370-20508	918,830	
				\$ 5,024,017
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	119,849	
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	8,525	
				128,374
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Non-cash	555,959	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12060-DPH48872-20892	183,067	
				739,026
Total United States Department of Agriculture				5,891,417
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/ Entitlement Grants	14.218		\$ 918,289	1,116,477
<i>Passed Through the State of Connecticut Department of Housing:</i>				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	12060-DOH46961-29520		91,121
<i>Direct:</i>				
Home Investment Partnerships Program	14.239		348,839	348,839
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228			272,348
Total United States Department of Housing and Urban Development			1,267,128	1,828,785
United States Department of Transportation				
<i>Direct:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600			31,990
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
State and Community Highway Safety	20.600	12062-DOT57513-20559	3,576	
National Priority Safety Programs	20.616	12062-DOT57513-22600	31,517	
				67,083
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57161-22108	1,718,126	
Highway Planning and Construction	20.205	12062-DOT57191-22108	285,193	
				2,003,319
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		107,984

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Direct:</i>				
Federal Transit Cluster:				
Federal Transit_Capital Investment Grants	20.500		\$ 1,203,074	
Federal Transit_Formula Grants	20.507		<u>387,823</u>	\$ 1,590,897
Total United States Department of Transportation				<u>3,769,283</u>
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Immunization Cooperative Agreements	93.268	Non-cash	115,759	
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911	<u>39,765</u>	155,524
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		51,641
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)				
	93.758	12060-DPH48810-22664		5,000
<i>Passed Through the Yale New Haven Hospital:</i>				
Public Health Emergency Preparedness	93.069	12060-DPH48557-22333		<u>40,950</u>
Total United States Department of Health and Human Services				<u>253,115</u>
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		<u>240,605</u>
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			428,533
Equitable Sharing Program	16.922			<u>201,133</u>
Total United States Department of Justice				<u>629,666</u>
United States Department of the Treasury				
<i>Direct:</i>				
Equitable Sharing	21.016			<u>4,821</u>
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-SDE64370-20977-2019	3,727,614	
Special Education_Grants to States	84.027	12060-SDE64370-20977-2018	97,568	
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2019	<u>93,389</u>	3,918,571
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2019	2,342,969	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2018	1,177,023	
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2017	<u>145,455</u>	3,665,447

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2019		\$ 226,310
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2019		133,000
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2019	\$ 398,075	
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2018	82,445	
				480,520
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2019	334,402	
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2018	84,886	
				419,288
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2019	7,984	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2018	103,372	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2019	261,701	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2018	37,039	
				410,096
Student Support and Academic Enrichment Program	84.424	12060-SDE64370-22854-2019	101,798	
Student Support and Academic Enrichment Program	84.424	12060-SDE64370-22854-2018	36,476	
				138,274
Hurricane Education Recovery	84.938	12060-SDE64370-22939-2019		4,016
Total United States Department of Education				9,395,522
Consumer Product Safety Commission				
<i>Direct:</i>				
Virginia Graeme Baker Pool and Spa Safety	87.002			1,270
Total Federal Awards			\$ 1,267,128	\$ 22,013,214

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2019. 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.

Basis of Accounting

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.

2. 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.

3. NONCASH AWARDS

Donated commodities in the amount of \$421,742 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 \$555,959 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 \$115,759 are included in the Department of Public Health's Immunization Grant Program, CFDA #93.268. The amount represents the market value of vaccines received.

**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, 2019, 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 30, 2019.

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 30, 2019

**CITY OF STAMFORD, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019**

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? X yes _____ 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)? X yes _____ no

Major programs:

CFDA #	Name of Federal Program or Cluster
10.555/10.553	Child Nutrition Cluster
20.205	Highway Planning and Construction Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2019-001

Procurement and Suspension and Debarment

Program

All Federal Programs

Criteria

The City must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within Uniform Guidance.

Condition

The City's procurement standards do not include the essential elements as outlined in 2 CFR sections 200.318 through 200.326.

Questioned Costs

None noted.

Context

Although the City did not have a policy in place in conformity with the federal Uniform Guidance criteria, the City did follow their procedures as it relates to the contracts under the procurements applicable to the City's major programs.

Effect

With the absence of a compliant policy, the City is at risk for noncompliance as it relates to federal procurement.

Cause

The City was aware of the details surrounding the new procurement standards. However, these details were not implemented in the policy by the effective date of July 1, 2018.

Recommendation

We recommend that the City review its formal procurement policies and make necessary changes to comply with the criteria as set out in 2 CFR sections 200.318 and 200.326.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

Finding No. 2019-002

Annual Report Card, High School Graduation

Program

Title I

Criteria

The City is required to maintain appropriate written documentation to support the removal of a student from the district. Additionally, the City is required to ensure that the proper exit code is utilized to remove a student from the adjusted regulatory cohort.

Condition

From the 25 selections tested, 10 exit forms didn't have all required signatures reviewing the exit form.

Questioned Costs

None.

Context

Not applicable.

Effect

The lack of controls over required approvals resulted in missing required signatures.

Cause

Lack of controls that ensure that all students leaving the District have a completed form approved by all proper designees.

Recommendation

We recommend that the City follow its own policies and procedures related to approval process, thereby ensuring that all exit forms have the proper approvals for removing a student from the adjusted regulatory cohort.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.