

City of Stamford, Connecticut

Federal and State Compliance Report
Year Ended June 30, 2022

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RSM US LLP

**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**

Independent Auditor's Report

Members of the Board of Finance
City of Stamford, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Stamford, Connecticut'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, 2022. The City's major federal programs are identified in the summary of auditor's 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, 2022.

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 (*Government Auditing Standards*); 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 Auditor's 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.

Auditor's 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-004 through 2022-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2022-003 and 2022-004 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2022-005 and 2022-006 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control findings over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Our report included an emphasis of matter paragraph for the correction of misstatements. We issued our report thereon dated December 30, 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.

RSM US LLP

Hartford, Connecticut
December 30, 2023

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
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	\$ -	\$ 5,786,398
National School Lunch Program	10.555	12060-SDE64370-20560	-	444,631
School Breakfast	10.553	12060-SDE64370-20508	-	1,405,773
Fresh Fruit & Vegetable Prog.	10.582	12060-SDE64370-22051	-	213,216
CN Schools EMOP	10.555	12060-SDE64370-23085	-	330,588
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	-	1,640,846
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	-	138,613
			<u>-</u>	<u>\$ 9,960,065</u>
Supply Chain Assistance	10.560	12060-SED64370-23126	-	285,449
P-EBT Local Admin	10.649	12060-SED64370-29802	-	17,792
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	-	216,702
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	-	19,193
			<u>-</u>	<u>539,136</u>
Total United States Department of Agriculture			<u>-</u>	<u>10,499,201</u>
United States Department of Transportation				
<i>Direct:</i>				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	N/A	-	109,145
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	12062-DOT57513-20600	-	17,784
			<u>-</u>	<u>17,784</u>
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57161-22108	-	53,164
Highway Planning and Construction	20.205	12062-DOT57161-22108	-	441,644
Highway Planning and Construction	20.205	12062-DOT57191-22108	-	308,266
			<u>-</u>	<u>803,074</u>
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	-	5,981
Total United States Department of Transportation			<u>-</u>	<u>935,984</u>
United States Department of Education				
<i>Direct:</i>				
TRIO Cluster:				
Upward Bound	84.047	N/A	-	295,495
<i>Passed Through the State of Connecticut Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	12060-SDE64370-20977-2021	-	382,286
Special Education - Grants to States	84.027	12060-SDE64370-20977-2022	-	3,180,038
COVID 19- American Rescue Plan - Elementary and Secondary School Emergency Relief Fund- ARP IDEA 611	84.027X	12060-SDE64370-23083-2022	-	38,695
COVID 19- American Rescue Plan - Elementary and Secondary School Emergency Relief Fund- ARP IDEA 619	84.173X	12060-SDE64370-29684-2023	-	15,000
Special Education - Preschool Grants	84.173	12060-SDE64370-20983-2022	-	58,800
			<u>-</u>	<u>3,674,819</u>
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	-	2,401,872
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022	-	2,763,579
			<u>-</u>	<u>5,165,451</u>

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, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2021	\$ -	\$ 282,057
Supporting Effective Instruction State Grants	84.367	12060-SDE64370-20858-2021	- \$ 338,376	
Supporting Effective Instruction State Grants	84.367	12060-SDE64370-20858-2022	- 295,491	633,867
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2021	- 64,243	
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863-2022	- 398,651	462,894
Student Support and Academic Enrichment Program	84.424	12060-SDE64370-22854-2021	- 163,235	
Student Support and Academic Enrichment Program	84.424	12060-SDE64370-22854-2022	- 115,649	278,884
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2021		213,994
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2021	- 11,411	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2022	- 190,371	
English Language Acquisition State Grants	84.365A	12060-SDE64370-20868-2021	- 17,900	
English Language Acquisition State Grants	84.365A	12060-SDE64370-20868-2022	- 15,870	235,552
Education Stabilization Fund:				
COVID19 -Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	12060-SDE64370-29571-2020	- 1,906,299	
COVID19 -Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	12060-SDE64370-29571-2021	- 5,664,962	
COVID19 -Elementary and Secondary School Emergency Relief (ESSER I and II) Fund- Bonus Dyslexia Recovery	84.425D	12060-SDE64370-29571-2021	- 2,211	
COVID19 -Elementary and Secondary School Emergency Relief (ESSER I and II) Fund- Special Education Activities	84.425D	12060-SDE64370-20977-2021	- 10,000	
COVID19 -Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	12060-SDE64370-29571-2021	- 8,340	7,591,812
COVID19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	12060-SDE64370-29636-2021	-	4,425,704
Total Education Stabilization Fund				12,017,516
Total United States Department of Education			-	23,260,529
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	24,054
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	39,873
Total United States Department of Justice			-	63,927
United States Environmental Protection Agency				
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>				
Diesel Emissions Reduction Act (DERA) State Grants	66.040	12060-DEP43520-22319	-	568,750
United States Department of Housing and Urban Development				
<i>Direct:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	427,283	459,480
Total United States Department of Housing and Urban Development			427,283	459,480

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, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
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	\$ -	\$ 531,551
Homeland Security Grant Program	97.067	12060-DPS32160-21877	-	214,759
			<u> </u>	<u>\$ 746,310</u>
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	-	65,412
<i>Direct:</i>				
Port Security Grant Program	97.056	N/A	<u> </u>	53,494
Assistance to Firefighters Grant	97.044	N/A	-	57,500
COVID 19- Disaster Grants- Public Assistance (Presidentially Declared Disasters) - FEMA - COVID	97.036	N/A	-	2,449,277
Disaster Grants- Public Assistance (Presidentially Declared Disasters) - FEMA - Storm Isaias	97.036	N/A	-	19,786
Disaster Grants- Public Assistance (Presidentially Declared Disasters) - FEMA - Storm Ida	97.036	N/A	<u> </u>	<u>1,103,132</u>
			<u> </u>	<u>3,572,195</u>
Total United States Department of Homeland Security			<u> </u>	<u>4,494,911</u>
United States Department of Health and Human Services				
<i>Direct:</i>				
Medical Reserve Corps Small Grant Program	93.008	N/A	-	6,943
Public Health Preparedness & Response	93.069	N/A	-	75,695
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Preventive Health and Health Services Block Grant	93.758	12060-DPH48558-22664	-	17,197
COVID 19- Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	12060-DPH48557-29582	-	339,430
Immunization Cooperative Agreements	93.268	12060-DPH48551-29654	-	794,837
Immunization Cooperative Agreements- Vaccines non cash	93.268	N/A	-	77,484
Immunization Cooperative Agreements	93.268	12060-DPH48557-29582	<u> </u>	<u>966,522</u>
			<u> </u>	<u>1,838,843</u>
Total United States Department of Health and Human Services			<u> </u>	<u>2,278,108</u>
United States Department of the Treasury				
<i>Direct:</i>				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,500,000
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,036,239
			<u> </u>	<u>2,536,239</u>
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
COVID-19 - Coronavirus Relief Fund	21.019	12060-SDE64370-29561	-	114,826
COVID-19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	<u> </u>	<u>1,488,433</u>
			<u> </u>	<u>1,603,259</u>
Total United States Department of the Treasury			<u> </u>	<u>4,139,498</u>
Total Federal Expenditures			<u>\$ 427,283</u>	<u>\$ 46,700,388</u>

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, 2022**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Stamford, Connecticut (the City), under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the 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, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2. Significant Accounting Principles

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

Note 3. Non-Cash Awards

Donated commodities in the amount of \$1,197,927 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing Number 10.565. The amount represents the market value of commodities received.

Donated vaccines in the amount of \$77,484 are included in the Department of Public Health's Immunization Grant Program, assistance listing number 93.268. The amount represents the market value of vaccines received.

Note 4. Indirect Cost Recovery

The City has elected not to use the 10% de minimis *indirect* cost rate allowed under the Uniform Guidance.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over Financial Reporting:

- Material weaknesses(es) identified? X yes 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 weaknesses(es) identified? X yes 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

Identification of Major Federal Programs

Assistance Listings Numbers	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
10.555/10.559	Child Nutrition Cluster
84.425	Education Stabilization Fund
84.425D	COVID 19- Elementary and Secondary School Emergency Relief
84.425U	COVID 19- American Rescue Plan- Elementary and Secondary School Emergency Relief
93.268	Immunization Cooperative Agreements
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs: \$1,401,012

Auditee qualified as low-risk auditee? yes X no

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

II. Financial Statement Findings

2022-001 - Material Weakness, Audit Readiness and Internal Controls over Financial Reporting

Criteria:

The City's management is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, where applicable, cash flows for governmental activities, business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the City.

Under a good system of internal control, all significant accounts should be reconciled on a regular basis to the underlying documentation, and thoroughly reviewed by a supervisory employee (other than the preparer), with necessary adjustments recorded timely.

Condition:

During the course of the audit, over 125 adjusting journal entries, prepared by management, were made to the original trial balances, as a result of issues identified by the auditors. The last adjustments being provided as late as December 2023. The numerous and untimely adjusting entries caused significant audit delays and inefficiencies.

Context:

Significant audit adjustments were required across multiple funds. Significant audit adjustments were made to Property Tax Accounts, Account Receivable Accounts, Loan Receivables, Allowance for Doubtful Accounts, Accounts Payable, Deferred Inflows of Resources and Unearned Revenue Accounts, Revenue and Intergovernmental Revenue, Expenditures, Transfers In and Transfers Out.

Effect:

Management does not have accurate financial information upon which to base management decisions.

Cause:

The cause is the lack of effective controls over financial reporting and improper review of general ledger accounts balances, supporting schedules, reconciliations, closing entries and other documentation that were provided by management.

Recommendation:

We recommend the City evaluate the process and internal controls over financial reporting in order to ensure readiness for the audit and to avoid numerous material audit journal entries.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

In addition, to improve the City's year-end financial reporting close process, which includes improving the quality and timeliness of preparing the annual financial and compliance reports, we recommend personnel perform thorough reviews of year-end general ledger accounts balances, supporting schedules, reconciliations, closing entries and other documentation.

Views of Responsible Officials:

Management agrees with the finding.

2022-002 - Material Weakness, Financial Reporting- Restatement of Various Accounts

Criteria:

Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions, events, and estimates in accordance with generally accepted accounting principles.

Condition:

Accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included restating opening net position/fund balance and related footnote disclosures in order to properly report the following balances:

- Mold Remediation – A \$15,736, 823 adjustment was made to increase long-term liabilities and decrease Net Position.
- Construction in Progress – A \$18,469,066 adjustment was made to increase accumulated depreciation for self-constructed assets placed in service. A \$196,737,819 adjustment was made to reclassify construction in progress to infrastructure by \$71,847,784, Building and Improvements by \$122,080,540 and Machinery and Equipment by \$2,809,495 for capital assets that had been placed in service during previous fiscal years.
- Unearned Revenue was overstated by \$3,136,484.
- Accounts Receivable and related unavailable revenue – An adjustment was made to increase the aggregate remaining funds in the amount of \$1,377,400, and to decrease the Capital Projects Fund by \$1,695,634.

Cause:

Established internal controls requiring the reconciliation and review of financial statements failed to identify the errors noted above that resulted in the restatement of the prior period financial statements.

Effect or potential effect:

Restatement of the July 1, 2021 governmental activities net position and fund balance of the capital projects fund and nonmajor governmental funds.

Recommendation:

We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Views of Responsible Officials:

Management agrees with the finding.

2022-003 – Material Weakness, Completeness and Accuracy of Schedule of Expenditures of Federal and State Awards

Criteria: Committee of Sponsoring Organizations (COSO) Framework – control activities: Proper review of the schedule of expenditures of federal awards (SEFA) and schedule of expenditure of state awards (SESA) includes the accuracy and completeness of the schedules.

Condition: We identified several adjustments to the SEFA and SESA as originally provided by the client. The SEFA and SESA balance are required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The City's internal controls did not include such a reconciliation. We identified adjustments to both the SEFA and the SESA resulting in changes to various programs.

Context: See "Condition" above.

Cause: Grant management and reporting is not centralized within the City and are left to the individual departments. Additionally, management as well as department heads are unfamiliar with grant accounting in accordance with U.S. GAAP.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

Recommendation: We recommend that City management, in coordination with the departments; establish policy and procedures to help to make certain all federal and state expended funds are captured timely and appropriately in the correct fiscal year in the SEFA and SESA.

View of Responsible Officials:

Management agrees with the finding.

Finding 2022-004: Material Weakness, Late Issuance of the 2022 Single Audit Reporting

Criteria/Context:

Uniform Guidance 2 CFR 200.512(a) requires that each organization's audit must be completed and the data collection form and reporting package should be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period.

Applicable to all assistance listing numbers (ALN's) and federal agencies (and pass-through entities) included on the accompanying schedule of expenditures of federal awards for the year ended June 30, 2022.

Condition/Finding:

The Single Audit package for the City's fiscal year ended June 30, 2022 should have been

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

submitted to the Federal Audit Clearinghouse by March 31, 2023. The City missed the nine-month filing deadline, making the filing for 2022 late.

Cause:

The cause is the lack of effective controls over financial reporting resulted in delays in both the Financial Statement Audit and Single Audit.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

In addition, late filings result in noncompliance with the requirements of the Uniform Guidance.

Recommendation:

We recommend the City evaluate the process and design of internal controls over financial reporting, including the SEFA and SESA, in order to ensure readiness for the audit and to avoid late filing of the data collection form.

Views of Responsible Officials:

Management agrees with the finding

Questioned Costs:

None

Context:

The June 30, 2022 Single Audit package.

III. Federal Award Findings and Questioned Costs

See Section II - Finding 2022-003: Completeness and Accuracy of Schedule of Expenditures of Federal and State Awards

See Section II - Finding 2022-004: Late Issuance of the 2022 Single Audit Reporting

Finding 2022-005 – Significant Deficiency, Procurement and Suspension, and Debarment - Internal Control over Verification Against the System for Award Management (“SAM”)

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Assistance Listing Program Title and Number- Child Nutrition Cluster 10.555/10.559
Federal Agency- Department of Agriculture
Pass-through Entity- N/A
Award year: 2022

Criteria or specific requirement:

2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance)* requires compliance with provisions of procurement, suspension, and debarment.

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition:

During our audit, we noted that the City did not have documentation to support that it verified vendors selected for testing against the SAM to ensure that they were not suspended or debarred from federally funded purchases.

Cause:

While the City has a formal policy requiring the purchasing department to perform verification of suspension or debarment over vendors that the City enters into contracts with for federally funded projects, it does not maintain formal documentation that this procedure occurred.

Effect:

Without documented evidence of verifying whether the City was following its policy, the City could not provide evidence of this control was being completed for federally funded projects. There were no standard forms or templates that were used to document verification that parties are not suspended or debarred.

Prevalence:

There was no documentation available for 1 out of 3 selections tested. However, none of the vendors selected for testing were suspended or debarred.

Questioned Cost:

None

Repeat Finding:

No

Recommendation:

We recommend that the City implement a policy to formally document the procedures they are performing to demonstrate compliance with the Single Audit Act.

Views of Responsible Officials:

Management agrees with the finding.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

**Finding 2022-006 – Significant Deficiency and Noncompliance Finding, Reporting-
Performance Reporting**

Assistance Listing Program Title and Number- Disaster Grants- Public Assistance
(Presidentially Declared Disasters) 97.036

Federal Agency- Department of Homeland Security

Pass-through Entity- N/A

Award year: 2022

Criteria or specific requirement:

Quarterly progress reports are due from recipients on all open large projects 30 days after the end of each calendar quarter.

Condition:

The progress reports that are required to be submitted for the major projects under the storm disaster grants were not completed or submitted.

Cause:

Grant management and reporting is not fully centralized within the City. The City did not have internal controls in place to ensure the report was filed.

Effect:

The progress reports should be submitted by the deadline. This results in non-compliance with the Reporting requirements of the program. This can result in the Federal government cancelling funding of the Disaster Grants- Public Assistance program or denying reimbursement of grant expenditures.

Prevalence:

There were twelve reports required to be submitted during the audit period. None of the required reports were submitted.

Questioned Cost:

None

Repeating Finding:

No.

Recommendation

We recommend that the City centralize all grants within the grants department and implement controls to ensure all compliance requirements are complied with.

Views of Responsible Officials:

Management agrees with the finding.

Mayor
CAROLINE SIMMONS



Controller
DAVID A. YANIK
Phone: (203) 977-4186
Email: dyanik@stamfordct.gov

CITY OF STAMFORD
OFFICE OF ADMINISTRATION
888 WASHINGTON BOULEVARD
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STAMFORD, CONNECTICUT 06904-2152

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

2021-001 - Audit
Readiness and Internal
Controls over Financial
Reporting

Audit Finding:

The City's management is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, where applicable, cash flows for governmental activities, business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the City.

Corrective Action Taken:

None – finding repeated in current year.

**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**

Independent Auditor's Report

Board of Finance
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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely-presented component unit, each major fund, and the aggregate remaining fund information of the City of Stamford, Connecticut (the City) as of and for the year ended June 30, 2022, 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 30, 2023. Our report included an emphasis of matter for the correction of errors related to amounts previously recorded in error for various asset, liabilities and fund balance/ net position accounts. The correction of the errors resulted in the restatement of the financial statements as of July 1, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompany schedule of findings and questioned costs, as items 2022-001 through 2022-004 that we consider to be material weaknesses.

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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Hartford, Connecticut
December 30, 2023



RSM US LLP

**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**

Independent Auditor's Report

Members of the Board of Finance
Stamford, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Stamford, Connecticut's (the City) 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's major state programs for the year ended June 30, 2022. The City's major state programs are identified in the summary of auditor's 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 state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State 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 (*Government Auditing Standards*); and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act 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 state 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 state 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 State Single Audit 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, 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 State Single Audit Act, 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 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 Auditor's 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 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Our report included an emphasis of matter paragraph for the correction of misstatements. We have issued our report thereon dated December 30, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

RSM US LLP

Hartford, Connecticut
December 30, 2023

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
Child Nutrition State Match	11000-SDE64370-16211	\$ -	\$ 71,809
Healthy Foods Initiative	1000-SDE64370-16212	-	122,815
Vocational Agriculture	11000-SDE64370-17017	-	719,393
Adult Education	11000-SDE64370-17030	-	251,369
Adult Education	11000-SDE64370-17030	-	31,820
			283,189
Health Services	11000-SDE64370-17034	-	215,135
Alliance District	11000-SDE64370-17041-82164	-	6,801,207
Bilingual Education English Learner Pilot Program	11000-SDE64370-17042	-	131,107
Priority School Districts	11000-SDE64370-17043-82052	-	2,029,730
School Breakfast	11000-SDE64370-17046	-	55,628
Non Sheff Transportation	11000-SDE64370-12632	-	173,020
Magnet Schools	11000-SDE64370-17057	-	8,589,528
			8,762,548
After School Program	11000-SDE64370-17084	-	382,436
Extended School Hours	11000-SDE64370-17108	-	279,611
Talent Development	11000-SDE64370-12552	-	24,166
Summer School Accountability Grant	11000-SDE64370-17109-82055	-	326,680
		-	20,205,454
Department of Social Services			
Medicaid	11000-DSS60000-16020	-	625,982
Connecticut State Library			
Historic Document Preservation Grants	12060-CSL66094-35150	-	10,500
Department of Administrative Services			
Alliance District General Improvements	12052-DAS7635-43651	-	1,303,209
Department of Children and Families			
Youth Service Bureaus	11000-DCF91141-17052	-	50,319
Youth Service Bureau Enhancements	11000-DCF91141-17107	-	17,386
		-	67,705

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Transportation			
Town Aid Road Grants	13033-DOT57131-43459	\$ -	\$ 624,886
Town Aid Road Grants	12052-DOT57131-43455	-	624,886
Rail Operations	12001-DOT57951-12168-32002	-	11,940
Capital Resurfacing- Related Improvements	13033-DOT57271-41386-34001	-	39,378
Bus Operations	12001-DOT57931-1275	-	21,745
Total Department of Transportation		-	1,322,835
Department of Public Health			
Local and District Departments of Health	11000-DPH48558-17009	-	84,294
X-Ray Screening and Tuberculosis Care	12004-DPH48666-16112	-	75,000
Venereal Disease Control	12004-DPH48665-17013	-	30,514
Total Department of Public Health		-	189,808
Department of Emergency Services and Public Protection			
Drug Asset Forfeiture	12060-DPS32155-35142	-	3,734
Enhanced 911 Telecommunications Fund	12060-DPS32741-35190	-	402,953
Fire Training Schools - Stamford	11000-DPS32251-16179	-	55,432
Total Department of Emergency Services and Public Protection		-	462,119
Office of Early Childhood			
Child Care Quality Enhancement	11000-OEC64845-16158	-	48,970
School Readiness and Child Care in Priority School Districts	11000-OEC64845-16274-83014	-	4,388,834
Child Day Care	11000-OEC64841-16274-83012	-	514,998
Child Day Care	11000-OEC64841-16274-83012	-	1,546,891
		-	2,061,889
Total Office of Early Childhood		-	6,499,693
Office of Policy and Management			
MRSA-Tiered PILOT	12060-OPM20600-35691	-	1,708,972
Tiered PILOT	11000-OPM20600-17111	-	4,809,076
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	2,994
Property Tax Relief for Veterans	11000-OPM20600-17024	-	20,486
Municipal Grants-In-Aid	12052-OPM20600-43587	-	1,154,179
PILOT on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	-	109,805

The accompanying notes are an integral part of this schedule

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
PILOT on Exempt Property of Manufacturing Facilities in Distressed Municipalities	12052-OPM20600-43750	\$ -	\$ 358,069
Total Office of Policy and Management		-	8,163,581
Total State Financial Assistance Before Exempt Programs		-	38,850,886
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010	-	7,664,975
Excess Cost - Student Based	11000-SDE64370-17047	-	3,056,312
Total Department of Education		-	10,721,287
Office of Policy and Management			
Municipal Stabilization Grant	11000-OPM20600-17104	-	1,846,049
Grants to Towns	12009-OPM20600-17005	-	625,635
Total Office of Policy and Management	12060-DPH48551-29654	-	2,471,684
Total Exempt Programs		-	13,192,971
Total State Financial Assistance		\$ -	\$ 52,043,857

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, 2022**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City, under programs of the State of Connecticut for the year ended June 30, 2022. 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, it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations, and accordingly, expenditures and revenues are reported on the modified accrual basis of accounting. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. 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.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

Type of auditor's 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?	<u> </u> Yes	<u> X </u> No
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The following schedule reflects the major programs included in the State Single Audit.

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
Magnet Schools	11000-SDE64370-17057	\$ 8,762,548
Office of Early Childhood		
School Readiness and Child Care in Priority School Districts	11000-OEC64845-16274-83014	4,388,834
Department of Policy and Management:		
MRSA-Tiered PILOT	12060-OPM20600-35691	1,708,972
Tiered PILOT	11000-OPM20600-17111	4,809,076

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

II. Financial Statement Findings

2022-001 - Material Weakness, Audit Readiness and Internal Controls over Financial Reporting

Criteria:

The City's management is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, where applicable, cash flows for governmental activities, business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the City.

Under a good system of internal control, all significant accounts should be reconciled on a regular basis to the underlying documentation, and thoroughly reviewed by a supervisory employee (other than the preparer), with necessary adjustments recorded timely.

Condition:

During the course the audit, over 125 adjusting journal entries, prepared by management, were made to the original trial balances, as a result of issues identified by the auditors. The last adjustments being provided as late as December 2023. The numerous and untimely adjusting entries caused significant audit delays and inefficiencies.

Context:

Significant audit adjustments were required across multiple funds. Significant audit adjustments were made to Property Tax Accounts, Account Receivable Accounts, Loan Receivables, Allowance for Doubtful Accounts, Accounts Payable, Deferred Inflows of Resources and Unearned Revenue Accounts, Revenue and Intergovernmental Revenue, Expenditures, Transfers In and Transfers Out.

Effect:

Management does not have accurate financial information upon which to base management decisions.

Cause:

The cause is the lack of effective controls over financial reporting and improper review of general ledger accounts balances, supporting schedules, reconciliations, closing entries and other documentation that were provided by management.

Recommendation:

We recommend the City evaluate the process and internal controls over financial reporting in order to ensure readiness for the audit and to avoid numerous material audit journal entries.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

In addition, to improve the City's year-end financial reporting close process, which includes improving the quality and timeliness of preparing the annual financial and compliance reports, we recommend personnel perform thorough reviews of year-end general ledger accounts balances, supporting schedules, reconciliations, closing entries and other documentation.

Views of Responsible Officials:

Management agrees with the finding.

2022-002 - Material Weakness, Financial Reporting- Restatement of Various Accounts

Criteria:

Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions, events, and estimates in accordance with generally accepted accounting principles.

Condition:

Accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included restating opening net position/fund balance (earliest period presented) and related footnote disclosures in order to properly report the following balances:

- Mold Remediation – A \$15,736, 823 adjustment was made to increase long-term liabilities and decrease Net Position.
- Construction in Progress – A \$18,469,066 adjustment to record depreciation expense on assets placed in service that were improperly classified as construction in progress instead of depreciable assets.
- Unearned Revenue was overstated by \$3,136,484.

Cause:

Established internal controls requiring the reconciliation and review of financial statements failed to identify the errors noted that resulted in the restatement of the prior period financial statements.

Effect or potential effect:

Restatement of the July 1, 2021 governmental activities net position.

Recommendation:

We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

Views of Responsible Officials:

Management agrees with the finding.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

2022-003 – Material Weakness, Completeness and Accuracy of Schedule of Expenditures of Federal and State Awards

Criteria: Committee of Sponsoring Organizations (COSO) Framework – control activities: Proper review of the schedule of expenditures of federal awards (SEFA) and schedule of expenditure of state awards (SESA) includes the accuracy and completeness of the schedules.

Condition: We identified several adjustments to the SEFA and SESA as originally provided by the client. The SEFA and SESA balance is required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The City's internal controls did not include such a reconciliation. We identified adjustments to both the SEFA and the SESA resulting in changes to various programs.

Context: See "Condition" above.

Cause: Grant management and reporting is not centralized within the City and are left to the individual departments. Additionally, management as well as department heads are unfamiliar with grant accounting in accordance with U.S. GAAP.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

Recommendation: We recommend that City management, in coordination with the departments; establish policy and procedures to help to make certain all federal and state expended funds are captured timely and appropriately in the correct fiscal year in the SEFA and SESA.

View of Responsible Officials:
Management agrees with the finding.

Finding 2022-004: Material Weakness, Late Issuance of the 2022 Single Audit Reporting

Criteria/Context:

Uniform Guidance 2 CFR 200.512(a) requires that each organization's audit must be completed and the data collection form and reporting package should be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period.

Applicable to all assistance listing numbers (ALN's) and federal agencies (and pass-through entities) included on the accompanying schedule of expenditures of federal awards for the year ended June 30, 2022.

Condition/Finding:

The Single Audit package for the City's fiscal year ended June 30, 2022 should have been submitted to the Federal Audit Clearinghouse by March 31, 2023. The City missed the nine month filing deadline, making the filing for 2022 late.

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Cause:

The cause is the lack of effective controls over financial reporting resulted in delays in both the Financial Statement Audit and Single Audit.

Effect or Potential Effect: This can result in an inaccurate amount reported in the SEFA, SESA, or basic financial statements or the disallowance of expenditures / future awards by the grantor due to lack of proper reporting.

In addition, late filings result in noncompliance with the requirements of the Uniform Guidance.

Recommendation:

We recommend the City evaluate the process and design of internal controls over financial reporting, including the SEFA and SESA, in order to ensure readiness for the audit and to avoid late filing of the data collection form.

Views of Responsible Officials:

Management agrees with the finding

Questioned Costs:

None

Context:

The June 30, 2022 Single Audit package.

III. State Financial Assistance Findings and Questioned Costs

No matters were reported.

Mayor
CAROLINE SIMMONS



Controller
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

2021-001 - Audit
Readiness and Internal
Controls over Financial
Reporting

Audit Finding:

The City's management is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, where applicable, cash flows for governmental activities, business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the City.

Corrective Action Taken:

None – finding repeated in current year.