

# CITY OF BRIDGEPORT, CONNECTICUT

STATE SINGLE AUDIT REPORT  
JUNE 30, 2019 AND 2018

**CITY OF BRIDGEPORT, CONNECTICUT  
STATE SINGLE AUDIT REPORT  
JUNE 30, 2019  
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**Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

To the Members of the City Council  
City of Bridgeport, Connecticut

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

We have audited the City of Bridgeport, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of Bridgeport, Connecticut's major state programs for the year ended June 30, 2019. The City of Bridgeport, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Bridgeport, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Bridgeport, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Bridgeport, Connecticut's compliance.

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

In our opinion, the City of Bridgeport, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

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

Management of the City of Bridgeport, 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 Bridgeport, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bridgeport, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on the 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, each major fund and the aggregate remaining fund information of the City of Bridgeport, 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 Bridgeport, Connecticut's basic financial statements. We issued our report thereon dated December 26, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

West Hartford, Connecticut  
December 26, 2019

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>Department of Education</b>			
Technical High Schools OE	11000-SDE64328-12602	\$	8,192
Commissioner's Network	11000-SDE64370-12547	\$ 105,689	1,052,365
Talent Development	11000-SDE64370-12552		68,183
Family Resource Centers	11000-SDE64370-16110		300,000
Youth Service Bureau Enhancement	11000-SDE64370-16201		9,205
Child Nutrition State Match	11000-SDE64370-16211		156,734
Health Foods Initiative	11000-SDE64370-16212		298,629
Vocational Agriculture	11000-SDE64370-17017		1,619,235
Adult Education	11000-SDE64370-17030		2,139,612
Health and Welfare - Private School Pupil	11000-SDE64370-17034		198,540
Alliance District	11000-SDE64370-17041-82164		18,036,012
Bilingual Education	11000-SDE64370-17042		271,596
Priority School Districts	11000-SDE64370-17043-82052		4,833,315
Extended School Hours Program Grant	11000-SDE64370-17043-82054		361,964
Summer School Accountability Grant	11000-SDE64370-17043-82055		419,106
Young Parents Program	11000-SDE64370-17044		13,277
School Breakfast Program	11000-SDE64370-17046		101,425
Youth Service Bureaus	11000-SDE64370-17052		115,763
Open Choice Program	11000-SDE64370-17053		86,694
Magnet Schools	11000-SDE64370-17057		8,357,335
After School Programs	11000-SDE64370-17084		506,430
Low Performing Schools Start Up	12052-SDE64370-43539		270,768
Low Performing Capital Projects	12052-SDE64370-43679		222,973
Total Department of Education		<u>105,689</u>	<u>39,447,353</u>
<b>Connecticut State Library</b>			
ConnectiCard Payments	11000-CSL66051-17010		<u>1,241</u>
<b>Department of Administrative Services</b>			
Alliance District General Improvements	12052-DAS27635-43651		<u>217,406</u>
<b>Department of Children and Families</b>			
Child Abuse and Neglect Intervention	11000-DCF91178-16064		<u>70,766</u>
<b>Department of Consumer Protection</b>			
Off Track Betting	34004-DCP39930-40001		<u>223,912</u>

The accompanying notes are an integral part of this schedule

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Energy and Environmental Protection</b>			
Ox Brook Flood Control	12052-DEP43740-42770		\$ 36,180
Energy Microgrids	12052-DEP44720-43531		1,396,853
Clean Water Revenue Bonds - Grant	21014-DEP43720-40001		696,293
Clean Water Revenue Bonds - Loan	21015-DEP43720-42318		<u>706,293</u>
Total Department of Energy and Environmental Protection			<u>2,835,619</u>
<b>Department of Transportation</b>			
Rail Operations	12001-DOT57951-12168		6,040
Rail Station Operations	12011-DOT57951-42761		63,180
Town Aid Road Grants-Municipal	12052-DOT57131-43455		691,849
Town Aid Road-STO	13033-DOT57131-43459		<u>691,849</u>
Total Department of Transportation			<u>1,452,918</u>
<b>Department of Public Health</b>			
Local and District Departments of Health	11000-DPH48558-17009		136,001
Venereal Disease Control	12004-DPH48665-17013		14,920
X-Ray Screen & Tuberculosis Care	12004-DPH48666-16112		<u>38,853</u>
Total Department of Public Health			<u>189,774</u>
<b>Department of Emergency Services and Public Protection</b>			
Drug Asset Forfeiture Revenue Account DPS	12060-DPS32155-35142		73,142
School Security Infrastructure	12052-DPS32161-43546		273,385
Enhanced 911 Telecomm Fund	12060-DPS32741-35190		<u>49,818</u>
Total Department of Emergency Services and Public Protection			<u>396,345</u>
<b>Department of Social Services</b>			
Medicaid	11000-DSS60000-16020		<u>483,271</u>
<b>Economic and Community Development</b>			
Brownfield Remediation and Development	12060-ECD46260-35533		470,261
Urban Action Grant	13019-ECD46210-41240		<u>297,682</u>
Total Economic and Community Development			<u>767,943</u>
<b>Judicial Branch</b>			
Youth Violence Initiative	11000-JUD96114-12555		<u>412,185</u>

The accompanying notes are an integral part of this schedule

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>State Grantor/Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>Office of Early Childhood</b>			
Child Care Quality Enhancement	11000-OEC64845-16158		\$ 279,167
Early Care and Education	11000-OEC64845-16274	\$ 9,380,307	12,230,439
Smart Start	11000-OEC64845-16279		300,000
Total Office of Early Childhood		<u>9,380,307</u>	<u>12,809,606</u>
<b>Office of Policy and Management</b>			
Project Longevity	11000-OPM20350-12573		145,397
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004		2,319,865
Payment in Lieu of Taxes (PILOT) on Colleges and General Hospitals	11000-OPM20600-17006		7,464,762
Reimbursement Property Tax - Disability Exemption	11000-OPM20600-17011		18,500
Property Tax Relief for Elderly Homeowners - Freeze Program Freeze Program	11000-OPM20600-17021		8,000
Property Tax Relief for Veterans	11000-OPM20600-17024		29,577
Local Capital Improvement	12050-OPM20600-40254		2,236,598
Municipal Purposes and Projects	12052-OPM20600-43587		1,031,564
Grant in Lieu of Property Tax	12052-OPM20600-43740		567,461
Total Office of Policy and Management			<u>13,821,724</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>9,485,996</u>	<u>73,130,063</u>
<b>Exempt Programs</b>			
<b>Department of Education</b>			
Education Cost Sharing	11000-SDE64370-17041-82010		164,418,154
Excess Cost - Student Based	11000-SDE64370-17047		6,378,204
Total Department of Education			<u>170,796,358</u>
<b>Department of Administrative Services</b>			
School Construction - Principal SDE	13010-DAS27635-40901		2,323,891
<b>Office of Policy and Management</b>			
Municipal Revenue Sharing	11000-OPM20600-17102		3,236,058
Municipal Transition	11000-OPM20600-17103		5,309,512
Municipal Stabilization Grant	11000-OPM20600-17104		2,823,501
Grants To Towns	12009-OPM20600-17005		5,606,925
Total Office of Policy and Management			<u>16,975,996</u>
Total Exempt Programs			<u>190,096,245</u>
<b>Total State Financial Assistance</b>		\$ <u>9,485,996</u>	\$ <u>263,226,308</u>

The accompanying notes are an integral part of this schedule



**CITY OF BRIDGEPORT, CONNECTICUT  
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Bridgeport, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2019. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the City of Bridgeport, 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 Bridgeport, Connecticut.

**Basis of Accounting**

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

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

**NOTE 2 - LOAN PROGRAMS**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2019:

Department of Environmental Protection:

Clean Water Funds:

	<u>Balance Beginning</u>		<u>Issued</u>		<u>Retired</u>		<u>Balance Ending</u>
\$	30,271,403	\$	1,561,471	\$	3,926,008	\$	27,906,866

**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 City Council  
City of Bridgeport, 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, each major fund and the aggregate remaining fund information of the City of Bridgeport, 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 Bridgeport, Connecticut's basic financial statements, and have issued our report thereon dated December 26, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bridgeport, 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 Bridgeport, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bridgeport, 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 Bridgeport, 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 Bridgeport, 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 Bridgeport, 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 26, 2019

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

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**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

**State Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ yes   X   no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Adult Education	11000-SDE64370-17030	\$ 2,139,612
Educational Cost Sharing - Alliance		
District Funding	11000-SDE64370-17041-82164	18,036,012
Magnet Schools	11000-SDE64370-17057	8,357,335
School Readiness in Priority School Districts	11000-SDE64370-17043-82052	4,833,315
Vocational Agriculture	11000-SDE64370-17017	1,619,235
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004	2,319,865
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	7,464,762
Dollar threshold used to distinguish between type A and type B programs:		\$ 1,462,601

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.